

# Exhibit 4

1 IN THE UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 -----x  
4 SECURITIES AND EXCHANGE COMMISSION,

5 Plaintiff, Case No.  
6 20-civ-10832(AT) (SN)

7 vs.

8 RIPPLE LABS, INC., BRADLEY GARLINGHOUSE,  
9 and CHRISTIAN LARSEN,

10 Defendants.  
11 -----x

12 \*\* CONFIDENTIAL SUBJECT TO PROTECTIVE ORDER \*\*

13 VIDEOTAPED DEPOSITION OF

14 DINUKA SAMARASINGHE

15 919 Third Avenue

16 New York, New York

17 June 9, 2021

18 9:17 a.m.  
19  
20  
21  
22  
23

24 Reported By:  
25 Cheryll Kerr, CSR  
JOB No. 210609CK

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10 Defendants.  
11 -----x

12 \*\* CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER \*\*  
13  
14  
15

16 VIDEOTAPED DEPOSITION OF DINUKA SAMARASINGHE, held  
17 at the offices of Debevoise & Plimpton, LLP, located  
18 at 919 Third Avenue, New York, New York, before  
19 Cheryll Kerr, CSR, a Certified Shorthand Reporter  
20 and Notary Public, on Wednesday, June 9, 2021, at  
21 9:17 a.m.  
22  
23  
24  
25

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25 (Continued on the next page)

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21 Michael Bennett, Legal Videographer

22 \*\*\* \*\*

23 \*\*\*

24 \*\*\*

25 \*\*\*

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24		
25		

09:17 1 THE VIDEOGRAPHER: We are now on the  
2 record. The time is approximately 9:17 a.m.  
3 on June 9th, 2021.

4 This is Video No. 1 of the video  
09:17 5 deposition of Dinuka Samarasinghe, taken in  
6 the matters of Securities and Exchange  
7 Commission, plaintiff, versus Ripple Labs,  
8 Inc. et al., Case No. 20-civ-10832, in the  
9 United States District Court, Southern  
09:18 10 District of New York.

11 My name is Michael Bennett, legal  
12 videographer with Gradillas Court Reporters.  
13 Today, we are at the offices of  
14 Debevoise & Plimpton, located at 919  
09:18 15 Third Avenue in New York, New York. Would  
16 counsel please identify themselves?

17 MR. MOYE: I am Robert Moyer, here for the  
18 SEC.

19 With me in the room are two colleagues,  
09:18 20 Jon Daniels and Jorge Tenreiro. We also have  
21 various people on Zoom that are viewing as  
22 well.

23 MR. HECKER: Sean Hecker, from Kaplan  
24 Hecker & Fink, joined by my colleague, Justin  
09:18 25 Horton, for Mr. Samarasinghe.

09:18 1 MS. ZORNBERG: Lisa Zornberg, on behalf  
2 of Ripple, and I am joined by Joy Guo and Joe  
3 Bianco of Debevoise & Plimpton and Anna  
4 Guardado of Ripple.

09:19 5 MR. LEVANDER: Samuel Levander, from  
6 Cleary, Gottlieb, Steen & Hamilton, on behalf  
7 of Bradley Garlinghouse.

8 Joining me from Cleary Gottlieb by video  
9 is Alexander Janghorbani.

09:19 10 MS. LINSENMEYER: Robin Linsenmayer, on  
11 behalf of Christian Larsen, from Paul, Weiss,  
12 Rifkind, Wharton & Garrison.

13 I'm on the Zoom, and with me is my  
14 colleague, Grace Tiedemann.

09:19 15 THE VIDEOGRAPHER: Thank you all very  
16 much.

17 The court reporter is Cheryll Kerr, also  
18 representing Gradillas Court Reporters. I  
19 would ask her to please swear in the witness.

09:19 20 D I N U K A S A M A R A S I N G H E,  
21 called as a witness, having been duly  
22 sworn, was examined and testified  
23 as follows:

24 THE SHORTHAND REPORTER: Thank you.  
09:19 25 Please proceed.



09:19 1 DIRECT EXAMINATION  
2 BY MR. MOYE:  
3  
4 Q. Good morning, Mr. Samarasinghe.  
09:19 5 A. Good morning.  
6 Q. Could you please state your name for the  
7 record?  
8 A. Dinuka Samarasinghe.  
9 Q. Thank you. Are you represented by counsel  
09:20 10 today?  
11 A. Yes, sir.  
12 Q. Who is your counsel?  
13 A. Mr. Hecker and Mr. Horton.  
14 Q. To your knowledge, does your counsel  
09:20 15 represent any of the other witnesses in the case?  
16 A. Yes.  
17 Q. Okay. Do you know who they are?  
18 A. Miguel Vias, Asheesh Birla. Those are the  
19 two that I am ...  
09:20 20 (Thereupon, an informal discussion was  
21 held off the record.)  
22 BY MR. MOYE:  
23 Q. Okay. Anyone else that you know of?  
24 A. I'm not 100 percent sure.  
09:20 25 Q. Okay. As I said earlier, my name is Robert

09:20 1 Moye, and I will be asking you questions on behalf of  
2 the SEC, who is the plaintiff in this case.

3 Have you ever given testimony in a deposition or at  
4 trial before?

09:20 5 A. No, sir.

6 Q. Okay. So let me just give you some  
7 guidelines so we can get a clear record on the court  
8 reporter's transcript.

9 First of all, we shouldn't talk over each other, so  
09:21 10 I need to let you finish your answers and please let me  
11 finish my questions before you jump in. Does that work?

12 A. Yes, sir.

13 Q. Also, we -- we need verbal answers rather  
14 than a nod or shaking of the head, so you are doing good  
09:21 15 so far, and from time to time, other lawyers may raise  
16 objections.

17 When that happens, I have a choice. I can either  
18 reframe or reword my question, or I can go ahead and ask  
19 you to answer what's already pending. If you don't  
09:21 20 remember, don't sweat it, because the court reporter can  
21 read it back. At this point, I think Lisa wants to add  
22 something.

23 MS. ZORNBERG: Yes. I just want to put  
24 on the record that for today's deposition, any  
09:21 25 objection by Mr. Hecker or Mr. Horton or by

09:21 1 any of the lawyers for the three defendants in  
2 the case will preserve the objection as to all  
3 of us so we don't have to make duplicate  
4 objections.

09:21 5 BY MR. MOYE:

6 Q. Finally, I'm just looking for your best  
7 recollections in this deposition. I'm not looking to  
8 inquire into any advice your lawyers gave you. So if,  
9 by some chance, I ask you a question that you think the  
09:22 10 answer requires you to disclose that, don't do it.

11 Indicate that that would require disclosure of  
12 conversations with your lawyer, and I will work around  
13 that. Does that work?

14 A. Yes, sir.

09:22 15 Q. Can you tell me what you did to prepare for  
16 today's deposition? Did you meet with counsel?

17 A. Yes, I did.

18 Q. Did you have any preparation sessions?

19 A. Yes, I did.

09:22 20 Q. How many?

21 A. Around four.

22 Q. Okay. During any of these preparation  
23 sessions, was anyone participating besides your lawyers?

24 A. Yes.

09:22 25 Q. At how many sessions?

09:22 1 (Pause.)

2 THE WITNESS: Yesterday's session, and  
3 I -- I think one before that.

4 BY MR. MOYE:

09:22 5 Q. Okay. Do you know who those other people  
6 were?

7 A. Yes.

8 Q. Who were they?

9 A. Counsel for Ripple.

09:22 10 Q. Do you know which lawyers for Ripple?

11 A. Ms. Zornberg.

12 Q. Okay?

13 A. Ms. Guo, and there was a gentleman in the  
14 room. I forget his name.

09:23 15 Q. Okay. What about counsel for the individual  
16 defendants? Were any of them in these preparation  
17 sessions?

18 A. Not to my recollection.

19 Q. Okay. In those sessions that you attended  
09:23 20 with --

21 In those sessions that were attended by lawyers  
22 from Ripple, can you tell me in general what it is you  
23 talked about?

24 MR. HECKER: Objection. I'll instruct  
09:23 25 you not to answer the question.

09:23 1 MR. MOYE: Was there a joint privilege?  
2 MR. HECKER: There's -- a common interest  
3 covered our discussion in preparation for his  
4 deposition, yes.

09:23 5 BY MR. MOYE:  
6 Q. Okay. Without saying I agree with that, are  
7 you going to follow your lawyer's instruction not to  
8 answer that last question?  
9 A. Yes.

09:23 10 Q. Okay. I just need to get that on the record.  
11 A. Okay.  
12 Q. Can you tell me what documents you looked at  
13 in preparation for your --  
14 Can you tell me, first of all, did you look at  
09:23 15 documents in preparation for the deposition?  
16 A. I did.  
17 Q. Were there any documents that helped you  
18 remember things you couldn't remember before until after  
19 you had looked at the documents?  
09:24 20 A. There were several documents that may have  
21 refreshed my memory a little bit.  
22 Q. Okay. With regard to those documents that  
23 helped you remember things or refresh your recollection,  
24 can you tell me what kinds of documents they were?  
09:24 25 A. In general, e-mail exchanges. There were

09:24 1 some market color and market commentary that I had  
2 produced.

3 Q. Any internal Ripple documents or reports?

4 MR. HECKER: Objection to the form of the  
09:24 5 question. But you can answer, if you  
6 understand it.

7 BY MR. MOYE:

8 Q. Best you can.

9 A. Could you rephrase?

09:24 10 Q. Yeah. I may not be getting the right kind of  
11 documents, but were there any special reports about XRP  
12 or market analysis that you looked at?

13 MS. ZORNBERG: Objection to form.

14 BY MR. MOYE:

09:25 15 Q. You can answer.

16 A. A lot of the market commentary, stuff that we  
17 produced.

18 (Thereupon, an informal discussion was  
19 held off the record.)

09:25 20 THE WITNESS: Sorry. There were analyses  
21 on -- on XRP.

22 BY MR. MOYE:

23 Q. Is there any single or couple of documents  
24 that you remember as being particularly helpful in  
09:25 25 preparation for the case and helping you remember?

09:25 1 A. No, sir.

2 Q. Okay. Do you have any understanding, even a  
3 general one, about what the SEC is alleging in this  
4 lawsuit?

09:25 5 A. I am not a securities lawyer, but I have -- a  
6 general understanding.

7 Q. Just take your best shot. What is your  
8 understanding in your own words?

9 A. My understanding is that the SEC alleges that  
09:25 10 XRP is a security of Ripple.

11 (Thereupon, an informal discussion was  
12 held off the record with the shorthand  
13 reporter.)

14 BY MR. MOYE:

09:26 15 Q. Okay, and do you have any understanding --  
16 even a general one -- about the defendants' position  
17 specifically?

18 A. A general one, yes.

19 Q. What's that?

09:26 20 A. That XRP is not a security.

21 Q. Do you have any personal interest in the  
22 resolution of that question or the outcome of this case?

23 A. No.

24 Q. Okay. Do you currently own any XRP?

09:26 25 A. I have several XRP wallets that have

09:26 1 essentially the minimum funding amount that is  
2 essentially locked up and I have no access to.

3 So there would be, say -- let's say, four or five  
4 XRP wallets that have [REDACTED] XRP in it that I am unable to  
09:26 5 access.

6 Q. But four wallets is [REDACTED] -- you have [REDACTED] XRP?

7 A. Roughly.

8 (Thereupon, an informal discussion was  
9 held off the record with the shorthand  
09:27 10 reporter.)

11 BY MR. MOYE:

12 Q. Let's talk briefly about your educational  
13 background.

14 A. Yes, sir.

09:27 15 Q. Did you go to college?

16 A. Yes, sir.

17 Q. Where did you go to college?

18 A. Columbia College.

19 Q. Did you get a degree?

09:27 20 A. Yes, sir.

21 Q. What did you study or what was the degree in?

22 A. The degree is a bachelor's in economics.

23 Q. Okay. Did you do any graduate study?

24 A. Yes, I did.

09:27 25 Q. Did you get any graduate degrees?



09:27 1 A. I did.

2 Q. From where?

3 A. Carnegie Mellon.

4 Q. In what?

09:27 5 A. Computational -- master's of science and  
6 computational finance.

7 Q. Okay. When did you get your undergraduate  
8 degree?

9 A. December -- undergraduate degree in May of  
09:27 10 1996.

11 Q. Okay. How about your graduate?

12 A. December of 2005.

13 Q. Okay. Do you have any other graduate or  
14 advanced degrees?

09:27 15 A. No, sir.

16 Q. Have you done any other graduate or advanced  
17 studies that did not result in a degree?

18 A. Yes.

19 Q. What was that?

09:28 20 A. I did a preparation course for my master's of  
21 science, which was called a -- I got a certificate for a  
22 quantitative studies for finance program from  
23 Columbia College.

24 Q. When did you get that?

09:28 25 A. 2004.

09:28 1 Q. Okay. Let's talk briefly about your  
2 employment history. We will go into more details,  
3 particularly with regard to Ripple, during the day.

4 Where are you employed right now?

09:28 5 A. GSR Services USA.

6 Q. And since when have you had that position?

7 A. Since December 21st, 2020.

8 Q. And what's your title?

9 A. Director of Operations Americas.

09:28 10 Q. Can you tell me generally what your  
11 responsibilities are?

12 A. Generally, I do a little bit of a lot of  
13 things. I do some trade operations. I do some --  
14 working cross functionality with different groups. I've  
09:29 15 done analysis. I've done strategy.

16 I manage some of the younger employees. I  
17 currently manage internal operations for the ODL product  
18 for GSR's market making.

19 (Thereupon, an informal discussion was  
09:29 20 held off the record.)

21 BY MR. MOYE:

22 Q. Okay. Can you tell me generally what GSR  
23 does? What kind of company it is?

24 A. GSR is a digital asset market maker.

09:29 25 Q. For someone who reads this record who does

09:29 1 not know what a market maker or what digital assets are,  
2 is there any simpler way you can describe what GSR is?

3 A. GSR's primary mission is increasing the  
4 liquidity for digital assets, whether they be for token  
09:30 5 projects or for exchanges, but it is growing into  
6 different areas of financial services for digital  
7 assets.

8 Q. Okay. Where is your office for GSR? Do you  
9 have an office that you work in for GSR?

09:30 10 A. I -- no, sir.

11 Q. You work from home?

12 A. Yes, I do.

13 Q. Okay. Does GSR have any offices in New York?

14 A. No.

09:30 15 Q. Does GSR have any offices in the  
16 United States?

17 A. No.

18 Q. Where is GSR located?

19 A. GSR has several corporate entities. One in  
09:30 20 the UK. One in Hong Kong. One in Singapore. We have a  
21 couple entities in the United States.

22 Q. What are the entities in the United States  
23 that GSR owns or operates?

24 A. There is GSR Services USA, LLC. There's GSR  
09:31 25 USA, LLC. I am not familiar with the full corporate

09:31 1 structure.

2 Q. Okay. With that caveat, do you know where  
3 those LLCs that you just mentioned, where they operate  
4 from or where they are located?

09:31 5 A. GSR Services USA, LLC is a Wyoming entity.  
6 There's a Delaware entity.

7 (Thereupon, an informal discussion was  
8 held off the record with the shorthand  
9 reporter.)

09:31 10 BY MR. MOYE:

11 Q. And are there employees within the  
12 United States of GSR or those two LLCs that you  
13 mentioned?

14 A. Yes, there are.

09:31 15 Q. And the people you manage? Are they, for the  
16 most part, here in the United States?

17 A. Yes.

18 Q. Okay. Could you give me some estimate of the  
19 people you work with for GSR here in the United States?

09:31 20 Are there five? 500? What's the number?

21 A. No, it's -- it's on the order of [REDACTED].

22 Q. Okay. Thank you.

23 Do you still have any -- in your currency job at  
24 GSR, do you have any professional contacts with Ripple,  
25 the defendant in this case?

09:32 1 MR. HECKER: Objection to the form. But  
2 you can answer.

3 BY MR. MOYE:

4 Q. Does GSR work with Ripple?

09:32 5 A. Yes.

6 Q. Okay. Doing what?

7 A. Servicing ODL.

8 Q. Okay. We're going to talk about ODL more in  
9 a minute.

09:32 10 Do you maintain any personal friendships or  
11 relationships with people that you worked with at  
12 Ripple?

13 A. Yes.

14 Q. Who are you close to?

09:32 15 MR. HECKER: Objection to the form.

16 BY MR. MOYE:

17 Q. Who are you friends with at Ripple?

18 MS. ZORNBERG: Objection to the form.

19 BY MR. MOYE:

09:32 20 Q. You can answer.

21 A. [REDACTED]. There's [REDACTED] -- I actually  
22 don't know how to pronounce his name all that well,  
23 but -- [REDACTED], [REDACTED]. Still at  
24 Ripple?

09:33 25 Q. Yes.

09:33 1 (Thereupon, an informal discussion was  
2 held off the record.)

3 THE WITNESS: I'm friendly with

4 [REDACTED], [REDACTED], [REDACTED].

09:33 5 BY MR. MOYE:

6 Q. Okay. What about Brad Garlinghouse or  
7 Chris Larsen? Do you have personal or social  
8 relationships with them?

9 A. No, sir.

09:33 10 Q. Okay. Where else have you worked, besides  
11 Ripple and GSR?

12 A. I've worked at [REDACTED] out of  
13 college. I've worked at a hedge fund called --  
14 initially called [REDACTED]. Then it  
09:33 15 was called [REDACTED].

16 Q. Okay. Stop there. One at a time, so we can  
17 keep track.

18 A. Okay.

19 Q. Did you say, "[REDACTED]"?

09:34 20 A. Yes, sir.

21 Q. What did you do for them?

22 A. I was a registered representative and I  
23 essentially traded NASDAQ equities.

24 Q. Okay. The next company you mentioned,  
09:34 25 Oak Hill?

09:34 1 A. [REDACTED].

2 Q. What did you do for [REDACTED]?

3 A. I managed -- I was on the Asian equities  
4 team, essentially managing a long/short quant equity  
09:34 5 portfolio and other Asian equities.

6 Q. How long did you work at [REDACTED] or during what  
7 years? What period of time?

8 A. I started in December of 1996.

9 (Pause.)

09:34 10 BY MR. MOYE:

11 Q. Just general is fine.

12 A. Generally, two years, probably. Around.

13 Q. Okay. What about [REDACTED]? How long did you  
14 work there?

09:34 15 A. Also -- also around two years.

16 Q. From [REDACTED], where did you work?

17 A. I moved to a company called [REDACTED].

18 Q. And what did you do for [REDACTED]?

19 A. I worked on building high frequency equities  
09:35 20 trading strategy on the Japanese equity markets.

21 Q. And how long did you work there?

22 A. I want to say about a year.

23 Q. Okay. After that, where did you work?

24 A. [REDACTED].

09:35 25 Q. And what did you do for [REDACTED]?

09:35 1 A. I worked on high frequency foreign exchange  
2 trading.  
3 Q. For how long?  
4 A. Close to -- close to four years.  
09:35 5 Q. Okay. After [REDACTED], where did you work?  
6 A. [REDACTED].  
7 Q. And how long did you work at [REDACTED]?  
8 A. Three years.  
9 Q. What was your responsibility with [REDACTED] at  
09:35 10 [REDACTED]?  
11 A. Senior strategist.  
12 Q. What is [REDACTED], or what does [REDACTED]  
13 do?  
14 A. [REDACTED] was a prop trading company.  
09:35 15 Q. What does that mean in layman's terms, if you  
16 can?  
17 A. They traded their own capital and attempted  
18 to increase that capital base through trading.  
19 Q. Was [REDACTED] the last company you worked  
09:36 20 for before joining Ripple?  
21 A. Yes, sir.  
22 Q. Okay. So we will spend more time on GSR,  
23 Ripple, and [REDACTED] throughout the day.  
24 I understand that you left [REDACTED] in order to  
09:36 25 join Ripple; is that right?



09:36 1 A. I resigned [REDACTED], not necessarily with  
2 the intention to join Ripple.

3 Q. How much after -- how long after your  
4 resignation did you join Ripple?

09:36 5 A. I resigned in March and I joined Ripple in  
6 June.

7 Q. In June? Okay.

8 (Thereupon, an informal discussion was  
9 held off the record with the shorthand  
09:37 10 reporter.)

11 BY MR. MOYE:

12 Q. Just to clarify, when you left [REDACTED],  
13 did you intend to join Ripple?

14 A. No.

09:37 15 Q. Okay. So how is it that you came to work for  
16 Ripple? How did you hear about the opportunity? How  
17 did you go about applying?

18 A. I resigned on a Friday, and on the  
19 following -- two days later, Miguel Vias, who was head  
09:37 20 of XRP markets at Ripple at the time, called me to gauge  
21 my interest in working with him -- working for him at  
22 Ripple.

23 Q. Why did you resign from [REDACTED]?

24 A. I was unhappy with my compensation.

09:37 25 Q. Did you have another job lined up? Sounds

09:37 1 like no.

2 A. I did not.

3 Q. Okay, and did Mr. Vias know of your intention  
4 to resign, do you think, before you actually did the  
09:37 5 deed?

6 MR. HECKER: Objection to the form of the  
7 question.

8 MR. MOYE: Let me ask it again.

9 BY MR. MOYE:

09:37 10 Q. Did you tell Mr. Vias before you resigned  
11 from [REDACTED] that that's what you intended to do?

12 A. No, I did not.

13 Q. Okay. So after Mr. Vias contacted you, what  
14 was the next step in coming to work for Ripple?

09:38 15 (Pause.)

16 THE WITNESS: I -- I had a series of  
17 interviews with Ripple.

18 BY MR. MOYE:

19 Q. Okay, and when did you receive your offer, do  
09:38 20 you think?

21 A. Around May of 2017.

22 Q. And you joined in June; is that correct?

23 A. Yes, sir.

24 Q. What was your title when you joined Ripple?

09:38 25 A. Senior manager, XRP markets.

09:38 1 Q. And can you remember what was your  
2 compensation when you joined Ripple?

3 A. Roughly \$ [REDACTED] per year in cash with  
4 options to get up to [REDACTED].

09:39 5 Q. When you say, "[REDACTED]" what did you  
6 mean by "[REDACTED]"?

7 A. [REDACTED].

8 Q. Okay, and when you joined Ripple, what were  
9 your responsibilities?

09:39 10 You've already mentioned your title. So day to  
11 day, what were you doing in your first -- in your first  
12 months with Ripple?

13 A. My first months at Ripple, I primarily worked  
14 on building out data analysis tools for the XRP markets.

09:39 15 Q. Did your responsibilities change over time?

16 A. Yes, sir.

17 Q. Can you describe that in a general way?

18 A. My -- my responsibilities moved towards  
19 managing XRP programmatic sales, helping build out XRP  
09:40 20 OTC trading, developing XRP lending programs from  
21 Ripple.

22 Then to communicating internally about the markets,  
23 helping develop the ODL liquidities scaling program,  
24 managing ODL liquidity for Ripple.

09:40 25 Q. Okay. We're going to come back and spend

09:40 1 more time on each of these -- on some of these  
2 responsibilities, but I want to find out, as best you  
3 can recall, who you reported to or who -- who was your  
4 supervisor during the different -- during your time at  
09:41 5 Ripple?

6 A. Initially, Miguel Vias. Then Breanne  
7 Madigan.

8 Q. Okay, and why did you leave Ripple?  
9 (Pause.)

09:41 10 THE WITNESS: I grew increasingly  
11 frustrated with -- I grew increasingly  
12 frustrated largely because I grew increasingly  
13 cynical about the prospects of success for the  
14 company and the lack of growth in my role.

09:41 15 BY MR. MOYE:

16 Q. Were there personal issues, or was it more  
17 strategic, what you were describing?

18 MR. HECKER: Objection to form.  
19 Compound.

09:42 20 BY MR. MOYE:

21 Q. Let me ask: Did you have personal problems  
22 with anyone at Ripple?

23 MR. HECKER: Objection to the form.

24 BY MR. MOYE:

09:42 25 Q. You can answer.

09:42 1 (Pause.)

2 THE WITNESS: There were a few people I  
3 don't think I had great working relationships  
4 with.

09:42 5 BY MR. MOYE:

6 Q. Okay. What was your relationship like with  
7 Ms. Madigan?

8 A. I think we were able to work well together.

9 Q. Did you have --

09:42 10 Was your work being criticized or unfairly --  
11 unfairly represented, in your mind?

12 MR. HECKER: Objection.

13 MS. ZORNBERG: Objection to form.

14 BY MR. MOYE:

09:43 15 Q. If you understand what I was asking you, you  
16 can answer.

17 A. Perhaps rephrase the question.

18 Q. Did anyone tell you your work is not  
19 acceptable, your analysis isn't good, or "I disagree  
09:43 20 with your conclusions"?

21 MR. HECKER: Objection, but you can  
22 answer.

23 THE WITNESS: Not to my recollection.

24 BY MR. MOYE:

09:43 25 Q. Okay. When you said before you were

09:43 1 concerned about "the prospects of success of the  
2 company," could you elaborate on that, please? What did  
3 you mean?

4 A. I don't believe that the architecture of the  
09:43 5 ODL is ... has been designed in such a way that it is  
6 scalable.

7 (Thereupon, an informal discussion was  
8 held off the record.)

9 BY MR. MOYE:

09:43 10 Q. Scalable? And what do you mean by the term  
11 "scalable"?

12 A. Capable of growing like a network should  
13 grow, I guess.

14 Q. Do you think it was --

09:44 15 When you left the company, did you think it was  
16 capable of doing what the company hoped it would do?

17 A. Can you define "what the company hoped it  
18 would do"?

19 Q. Maybe not. I was trying to rephrase "What's  
09:44 20 scalable?" You didn't think it was be intended by use  
21 by the company; is that fair?

22 MR. HECKER: Objection to form.

23 MS. ZORNBERG: Objection.

24 THE WITNESS: No.

25

09:44 1 BY MR. MOYE:

2 Q. What did you mean by you "didn't think it  
3 could grow"?

4 MR. HECKER: Objection.

09:44 5 MS. ZORNBERG: I don't think he used the  
6 word grow in that way. He used "lack of  
7 growth" for his role.

8 BY MR. MOYE:

9 Q. Tell me again what you saw as a problem with  
09:45 10 the ODL product.

11 MR. HECKER: Objection to form. You can  
12 answer.

13 THE WITNESS: ODL primarily partners with  
14 digital asset exchanges in decimation currency  
09:45 15 countries, such as Mexico and the Philippines.  
16 Typically, these exchanges are not -- they  
17 have relatively poor technology. They have  
18 relatively poor support.

19 I don't believe they're institutionally  
09:45 20 sound. There's a wide -- you know, range of  
21 APIs that you have to connect to. So  
22 ultimately, I believe they were partnering  
23 with low-quality exchanges across the global  
24 because those were available digital asset  
09:46 25 exchanges, I found it hard to believe that it

09:46 1 could gain a significant institutional  
2 customer base.

3 BY MR. MOYE:

4 Q. Thank you.

09:46 5 When you said you were concerned or cynical about  
6 your prospects of the success of the company, what did  
7 you mean by that?

8 A. I had a relatively low title at Ripple. I  
9 didn't see prospects for any sort of advancement.

09:46 10 Q. What about your compensation? Were you  
11 satisfied with your compensation?

12 A. No.

13 Q. When you left Ripple, what were you making,  
14 approximately?

09:46 15 A. Maybe roughly \$ [REDACTED] a year.

16 (Thereupon, an informal discussion was  
17 held off the record.)

18 BY MR. MOYE:

19 Q. Okay, and in terms of bonuses or equity, were  
09:47 20 you still getting that form of compensation in the same  
21 way you described when you joined?

22 MR. HECKER: Objection to form.

23 MR. MOYE: I know, that was bad. Let me  
24 try again.

25



09:47 1 BY MR. MOYE:

2 Q. What kind of bonuses or equity compensation  
3 were you receiving or able to receive when you left?

4 A. There were -- there were bonuses [REDACTED].

09:47 5 [REDACTED].

6 Q. Did you let any supervisors know you were  
7 unhappy with your opportunities for advancement?

8 A. Breanne Madigan.

9 Q. Okay, and what was her response or reaction?

09:47 10 (Pause.)

11 THE WITNESS: She expressed  
12 disappointment that I felt that way and she --  
13 she gave me some guidelines in case I wanted  
14 to advance my career at Ripple, some steps I  
09:48 15 should improve on.

16 BY MR. MOYE:

17 Q. Did you have any sense that Ms. Madigan or  
18 anyone at Ripple would prefer that you leave? Did they  
19 take any steps to force you out?

09:48 20 A. Not to my knowledge.

21 Q. Okay. Did you let anyone else at Ripple know  
22 you were considering leaving before you actually left?

23 (Pause.)

24 THE WITNESS: I don't recall.

25

09:48 1 BY MR. MOYE:

2 Q. Did you tell Mr. Vias that you were -- let me  
3 rephrase that.

4 Was Mr. Vias still at Ripple when you left?

09:49 5 A. No, sir.

6 Q. Did you tell Mr. Vias, or any other person  
7 you worked with personally, that you were considering  
8 leaving Ripple?

9 MS. ZORNBERG: Objection to the form.

09:49 10 BY MR. MOYE:

11 Q. You can answer.

12 A. Yes.

13 Q. Did anyone who had previously worked for  
14 Ripple encourage you either to stay or to leave?

09:49 15 (Pause.)

16 THE WITNESS: I don't remember.

17 BY MR. MOYE:

18 Q. Are you familiar with Ripple's product XRP?

19 MS. ZORNBERG: Objection.

09:49 20 MR. MOYE: Try again.

21 BY MR. MOYE:

22 Q. Are you familiar with the product XRP?

23 MS. ZORNBERG: Objection.

24 MR. MOYE: What's the objection, Lisa?

09:50 25 MS. ZORNBERG: XRP is a digital asset. I

09:50 1 don't know that you can call it a product.

2 MR. MOYE: Well --

3 MS. ZORNBERG: You can answer the  
4 question.

09:50 5 MR. MOYE: If the witness disagrees with  
6 me --

7 MS. ZORNBERG: That's fine.

8 BY MR. MOYE:

9 Q. Are you familiar with the product XRP?

09:50 10 MS. ZORNBERG: Objection.

11 THE WITNESS: I'm familiar with XRP.

12 BY MR. MOYE:

13 Q. What is XRP?

14 A. It is a digital asset.

09:50 15 Q. Whose digital asset is it? Who is the  
16 sponsor or originator or who launched XRP?

17 MR. HECKER: Objection to the form of  
18 that question.

19 MS. ZORNBERG: Objection to form.

09:50 20 BY MR. MOYE:

21 Q. You can answer.

22 A. My understanding that a -- it was -- it was  
23 developed by Arthur Britto and David Schwartz.

24 Q. Okay, and currently, which company has the  
09:50 25 greatest interest in the success of XRP?

09:50 1 MR. HECKER: Objection to the form of the  
2 question.

3 THE WITNESS: My understanding is that  
4 it's Ripple.

09:50 5 BY MR. MOYE:

6 Q. Okay. What does Ripple do with XRP, or what  
7 is Ripple's relationship with XRP? How does it use it?

8 A. Ripple uses XRP in its cross-border product,  
9 ODL.

09:51 10 (Thereupon, an informal discussion was  
11 held off the record with the shorthand  
12 reporter.)

13 BY MR. MOYE:

14 Q. Again, we will be more specific later, but  
09:51 15 generally how does it use XRP in the ODL product?

16 A. In ODL, a payment institution will deposit  
17 fiat in one digital asset exchange, then Ripple uses XRP  
18 to facilitate a cross-border movement in value using XRP  
19 almost like a container ship. So on the origination  
09:51 20 exchange in ODL, the payment providers would essentially  
21 sell -- put a sell order -- a buy order for XRP for the  
22 amount that they wish to move.

23 For XRP, they move XRP cross ledger to the adverse  
24 held by a destination exchange, and at the destination  
09:52 25 exchange, there would be API called to sell that XRP for

09:52 1 the fiat of that local exchange. It's moving value  
2 cross-border without the use of the corresponding  
3 banking network.

4 (Thereupon, an informal discussion was  
09:52 5 held off the record.)

6 BY MR. MOYE:

7 Q. Does Ripple sell any XRP?

8 A. I don't know what Ripple does now with XRP.

9 Q. Do you know if Ripple has ever sold XRP?

09:52 10 A. Yes, Ripple has sold XRP.

11 Q. Okay. Does Ripple promote the use of XRP?

12 MR. HECKER: Objection to form.

13 BY MR. MOYE:

14 Q. You can answer.

09:53 15 (Pause.)

16 THE WITNESS: Not to my knowledge.

17 BY MR. MOYE:

18 Q. Does Ripple encourage market participants to  
19 use XRP for the type of cross-border transactions you  
09:53 20 were just describing?

21 A. I don't believe so.

22 Q. When you worked at Ripple, did Ripple sell  
23 XRP?

24 A. Yes.

09:53 25 Q. Who did Ripple sell XRP to?

09:53 1 (Pause.)

2 BY MR. MOYE:

3 Q. To your knowledge?

4 A. Okay. Ripple sold XRP to -- on open order  
09:53 5 exchanges through market makers. Ripple sold to OTC  
6 brokers. Ripple sold XRP to [REDACTED]. Ripple sold XRP to  
7 [REDACTED].

8 (Thereupon, an informal discussion was  
9 held off the record.)

09:54 10 BY MR. MOYE:

11 Q. Okay. We're going to spend more time on  
12 this, but just so I understand what you said, let's talk  
13 about how Ripple made some of the sales.

14 Are you familiar with the term "programmatic sales"  
09:54 15 with your time at Ripple?

16 A. Yes, sir.

17 Q. What does that term mean to you?

18 A. Ripple used market makers such as GSR, [REDACTED],  
19 [REDACTED] to use algorithms to sell XRP across global  
09:54 20 digital asset exchanges.

21 Q. And for those programmatic sales, who was  
22 buying the XRP from Ripple?

23 A. I don't know.

24 Q. Do you have any sense of the type of market  
09:55 25 participants they were?

09:55 1 A. Retail speculators.

2 Q. Okay. Are you familiar with the term "OTC  
3 sales" from your time at Ripple?

4 A. Yes, sir.

09:55 5 Q. What does that term mean to you?

6 A. OTC sales were sales of XRP to typically  
7 digital asset OTC brokers.

8 Q. And OTC, does that mean over the counter?

9 A. Over the counter.

09:55 10 Q. That's a particular way of selling an asset?

11 A. That's correct.

12 Q. Okay. Please continue. What does that term  
13 mean?

14 A. So in the case of -- let's use an example  
09:55 15 like [REDACTED].

16 As an OTC partner of XRP II, once a master purchase  
17 agreement was in place, if [REDACTED] had  
18 interest in XRP for a certain size, they would contact  
19 the markets team, ask for a price for that size of XRP,  
09:56 20 and if a price was agreed upon and confirmed, there  
21 would be a transaction.

22 Q. Thank you.

23 And these OTC sales you were describing, what --  
24 what is the type of individual or entity that would be  
09:56 25 buying the XRP from Ripple?

09:56 1 A. In these cases, largely digital asset OTC  
2 brokers.

3 Q. Okay. For these programmatic sales and OTC  
4 sales, did a higher sale price benefit Ripple, as you  
09:57 5 understood the transactions?

6 A. Yes.

7 Q. During the time you were at Ripple, do you  
8 have any sense or understanding of how much of Ripple's  
9 revenues came from XRP sales?

09:57 10 A. Yes. In terms of magnitude.

11 Q. Was that the majority?

12 A. I don't know other sources of income from --

13 Q. So as far as you knew, it was -- it could  
14 have been 100 percent of Ripple's revenues.

09:57 15 MR. HECKER: Objection.

16 MS. ZORNBERG: Objection to the form of  
17 the question.

18 BY MR. MOYE:

19 Q. As you understood it?

09:57 20 A. As far as I know.

21 Q. Okay. Did you have any understanding of why  
22 digital asset brokers you described were buying XRP or  
23 what they intended to do with XRP when you bought it  
24 from Ripple?

09:58 25 A. No, sir.



09:58 1 Q. No idea at all?

2 A. No.

3 Q. Did you ever hear that they were buying it  
4 for speculative investors?

09:58 5 A. No.

6 Q. We've talked a couple of times about ODL.  
7 Are you familiar with ODL?

8 A. Yes, sir.

9 Q. Can you tell me generally what ODL is and  
09:58 10 what the O, D, and L stand for?

11 A. On demand liquidity.

12 Q. Okay.

13 A. Again, ODL was Ripple's cross-border product  
14 attempting to move value from one country to another,  
09:58 15 from one fiat currency to another fiat currency, using  
16 XRP as the bridge.

17 (Thereupon, a six-page e-mail chain dated  
18 1/12/20, from [REDACTED] to [REDACTED] et  
19 al., Bates Nos. RPLI\_SEC 0504285 through  
09:59 20 0504290, was introduced as DS Exhibit 20 for  
21 identification.)

22 BY MR. MOYE:

23 Q. Okay. I would like to take a look at a  
24 document, now. I would like to show you what's been  
09:59 25 marked as DS Exhibit 20.

09:59 1           The "DS" is your initials, and the 20 is the  
2 numbers for the exhibits we're going to look at in this  
3 deposition.

4                       (Thereupon, an informal discussion was  
09:59 5           held off the record.)

6                       MR. MOYE: I just need to say something  
7                       for the record right now. What's been marked  
8                       as DS Exhibit 20 --

9 BY MR. MOYE:

09:59 10           Q.     Do you recognize that as an e-mail message  
11           from [REDACTED] at Ripple, dated January 12th, 2020  
12           to [REDACTED] with subject line "Trade Data - jump  
13           follow up."

14           A.     That's what -- yes.

10:00 15           Q.     Okay. Why don't you take a moment, and I'm  
16           going to direct -- when I ask you questions, I am going  
17           to direct you to some information that begins on page 3.

18                       (Thereupon, an informal discussion was  
19                       held off the record.)

10:01 20                       (Pause.)

21 BY MR. MOYE:

22           Q.     Let me know when you're ready.

23           A.     I think I'm ready.

24           Q.     Okay. Do you recognize DS Exhibit 20 as a  
10:02 25 chain of e-mails -- a whole chain of e-mails which

10:02 1 included you, which you received between January 10th  
2 and January 12th, 2020?

3 MR. HECKER: Objection to the form of the  
4 question. Unless I am misunderstanding, it  
10:02 5 looks like he's only on the top e-mail. Am I  
6 wrong about that?

7 MR. MOYE: Fair point.

8 BY MR. MOYE:

9 Q. This is a chain of e-mails extending over a  
10:02 10 couple days. You received the top e-mail; is that  
11 correct?

12 A. Yes.

13 Q. Okay. So with that caveat, I would like to  
14 direct your attention to page 3, where [REDACTED] of  
10:03 15 Ripple begins to describe a transaction, and the  
16 paragraph says:

17 "Probably easier to go through the life cycle of an  
18 ODL payment here."

19 Do you see that?

10:03 20 A. Yes.

21 Q. Okay. Basically, what I want to find out is  
22 if you agree or disagree the way that [REDACTED] is  
23 describing this transaction.

24 So could you look at the first paragraph? Do you  
10:03 25 agree with what [REDACTED] describes in the first

10:03 1 paragraph?

2 A. "First paragraph" meaning "MoneyGram wants to  
3 initiate a payment"?

4 Q. Yes. Do you think MoneyGram is a fair  
10:03 5 example to use to describe --

6 A. Yes, it is.

7 Q. -- an ODL transaction?

8 Okay. Next paragraph. Do you agree with what he  
9 says in the next paragraph?

10:03 10 MS. ZORNBERG: Can you clarify which  
11 paragraph, please?

12 (Thereupon, an informal discussion was  
13 held off the record.)

14 BY MR. MOYE:

10:03 15 Q. Yes, "MoneyGram uses the ODL software"?

16 MR. HECKER: Sorry. I apologize. The  
17 first paragraph starts "Probably easier" and  
18 the second starts "MoneyGram wants to  
19 initiate."

10:04 20 MR. MOYE: I think we jumped ahead.

21 MR. HECKER: Okay.

22 BY MR. MOYE:

23 Q. I think the first paragraph sets up the  
24 example and then talks about MoneyGram, so let's look at  
10:04 25 the final two paragraphs on this page, where he talks

10:04 1 about how MoneyGram is using the ODL.

2 Do you agree with how [REDACTED] is describing a  
3 typical ODL transaction with MoneyGram as he describes  
4 in this transaction?

10:04 5 A. To the best of my recollection.

6 Q. Okay. Anything in there that you think is  
7 inaccurate?

8 MR. HECKER: I am going to object to the  
9 form of the question. It's a hypothetical, so  
10:04 10 I'm not sure how to agree or disagree with the  
11 description. But if you understand the  
12 question, you're welcome to answer.

13 THE WITNESS: Yeah, I should give you a  
14 caveat. My role here was on the liquidity  
10:04 15 side --

16 BY MR. MOYE:

17 Q. Yeah.

18 A. -- not the product side. So almost two sides  
19 of the coin. The product team would be responsible for  
10:05 20 how the product or how the customer experienced the --  
21 the order flow. So my job was more the flip side in  
22 terms of ensuring liquidity was available on the order  
23 books, my -- so my -- I'm not an expert on the product  
24 side.

10:05 25 Q. Okay. You're not an expert on all the

10:05 1 details.

2 As far as you understood, was there anything in  
3 what you reviewed so far that you thought was an  
4 accurate description of the process, as you understood?

10:05 5 A. No, sir.

6 Q. Okay. So let me ask you some more general  
7 hypothetical, and feel free to refer to DS Exhibit 20 on  
8 page 3 and continuing on to page 4, if you find that  
9 helpful. Okay?

10:05 10 In this hypothetical that [REDACTED] is describing,  
11 would it be fair to say the first step in an ODL  
12 transaction is that MoneyGram would initiate a payment  
13 using SDL -- it's using ODL -- and sends U.S. dollars  
14 from a bank to a digital asset exchange?

10:06 15 A. No.

16 Q. Okay. What is the first step, as you  
17 understand?

18 A. MoneyGram needs to fund the origination  
19 account with U.S. dollars.

10:06 20 Q. Okay. Would MoneyGram use ODL software to  
21 get a quote that they can accept or reject?

22 A. To my understanding.

23 Q. Okay. Would ODL use U.S. dollars in a  
24 MoneyGram account to purchase XRP?

10:06 25 (Pause.)

10:06 1 THE WITNESS: To my understanding.

2 BY MR. MOYE:

3 Q. Would ODL be used in terms of paying exchange  
4 of trading fee and a spread?

10:07 5 A. The exchange would receive a fee through the  
6 execution of the orders.

7 Q. Okay, and then would the XRP be transferred  
8 on the ledger from the sending exchange to the receiving  
9 exchange?

10:07 10 A. XRP would move from one wallet address on the  
11 XRP Ledger to another wallet address on XRP Ledger.

12 Q. And in the next wallet, would XRP be sold on  
13 the receiving exchange or by the receiving exchange?

14 A. XRP would be sold on the -- open order book  
10:07 15 on the destination exchange.

16 (Thereupon, an informal discussion was  
17 held off the record.)

18 BY MR. MOYE:

19 Q. Would MoneyGram pay the receiving exchange a  
10:07 20 trading fee and a spread?

21 A. To my understanding.

22 Q. And when the ODL product detects that a trade  
23 is complete, what would move from the receiving exchange  
24 and how would it move?

10:08 25 A. My understanding is there would be a payout

10:08 1 to the recipient's account using the SPEI network in  
2 Mexico.

3 Q. What is the SPEI network?

4 A. I -- I'm not an expert on that. I'm sorry.

10:08 5 Q. Is it a local payment network?

6 A. Yes, sir.

7 Q. Could it be described as local rails?

8 A. Yes.

9 Q. So would local rails be used to get the  
10:08 10 currency to -- or the value to the end recipient?

11 A. That is my understanding.

12 Q. Okay. So just a clarification, in what form  
13 is ODL being used for this transaction? Is ODL the way  
14 that this transaction takes place or is ODL a form of --  
10:09 15 maybe you can say it better.

16 What is the essence of ODL's use for this exchange?  
17 I mean, why is it necessary?

18 MR. HECKER: Objection to form.

19 MS. ZORNBERG: Objection.

10:09 20 BY MR. MOYE:

21 Q. If you understand it, you can answer.

22 A. ODL coordinates the APIs on the origination  
23 exchange, the XRP Ledger, the destination exchange, and  
24 the local payout rails.

10:09 25 Q. And when you say "API," what do you mean by



10:09 1 "API"?

2 A. It's a computer's way of interfacing with the  
3 order books of each exchange.

4 Q. Okay. All right. Let's leave Exhibit 20 for  
10:10 5 now and let's address briefly another topic before we  
6 mark some more exhibits.

7 You've used the term "market maker" a number of  
8 times, and I think I have as well. As you understand  
9 it, what does that term mean?

10:10 10 A. As I understand, a market maker provides a  
11 two-sided quote on a given market for a large portion of  
12 a trading day.

13 (Thereupon, an informal discussion was  
14 held off the record.)

10:10 15 BY MR. MOYE:

16 Q. Would it be correct to say market maker buys  
17 and sells stock continuously on the basis of prices that  
18 are publicly quoted?

19 MR. HECKER: Objection to form.

10:11 20 MS. ZORNBERG: Objection, and object to  
21 the term "stock."

22 MR. MOYE: Fair point.

23 BY MR. MOYE:

24 Q. Do you think market maker is a firm that both  
10:11 25 buys and sells assets on a continuous bases at publicly

10:11 1 quoted prices?

2 A. Doesn't necessarily have to be a firm, but  
3 sure.

4 Q. Okay. How does a market maker make a profit?

10:11 5 A. A market maker attempts to leverage its  
6 connectivity. So let's say they are -- in a  
7 hypothetical example, a market maker would essentially  
8 provide a buy price at which they believe they could  
9 sell -- if executed at that price -- at a higher price.

10:11 10 Whether that is through a prediction model, whether  
11 that is through leveraging its connectivity to other  
12 exchanges, but they -- they attempt to typically make  
13 the spread between their buy quote and their sell quote.

14 Q. Is the spread the difference between the bid  
10:12 15 and the ask or the buy quote and sell quote?

16 A. Yes.

17 Q. Okay, and is that how the market maker makes  
18 a profit on the difference between the bid and the ask?

19 A. In general. The -- the timing is not  
10:12 20 necessarily same. So you can -- let's say you can  
21 execute on the data time T, your quote -- ask quote is  
22 that time T, but that's not necessarily the profit  
23 you're making. Your profit is T plus X. When you're --  
24 either the profit or loss that you're making is  
10:12 25 dependent on the sale at T plus X that you actually exit

10:12 1 the position.

2 Q. Okay. Thanks for that clarification.

3 Which market makers does -- has Ripple deal with,  
4 to the best of your knowledge?

10:13 5 A. In what capacity?

6 Q. Well, you worked for [REDACTED], you worked  
7 for Ripple and you worked for GSR.

8 A. Yes.

9 Q. You've already identified [REDACTED] and GSR,  
10:13 10 I believe, as market makers; is that correct?

11 A. That's correct.

12 Q. What other market makers are you aware of  
13 that Ripple has transacted with or dealt with?

14 A. [REDACTED], or [REDACTED], [REDACTED], [REDACTED] --

10:13 15 (Thereupon, an informal discussion was  
16 held off the record.)

17 THE WITNESS: -- [REDACTED], [REDACTED].

18 Those are some off the top of my head.

19 BY MR. MOYE:

10:14 20 Q. Okay. Would it be fair to say you learned  
21 about most of these market makers that Ripple dealt with  
22 through your work at Ripple?

23 A. [REDACTED], I was aware of before joining Ripple,  
24 but the rest of them, yes.

10:14 25 Q. Okay. To the best of your knowledge, did

10:14 1 Ripple ever ask market makers to restrict sales of XRP  
2 to certain categories of individual, for example, to  
3 banks or to non-US persons or to non-speculators?

4 A. Not to my knowledge.

10:15 5 Q. Are you aware of any restrictions that Ripple  
6 asked market makers to impose to the sale of XRP?

7 A. Within programmatic liquidation of XRP, we  
8 asked our liquidation partners to follow certain  
9 restrictions on the percentage of daily volume,  
10:15 10 traded -- that were reported on XRP volume.

11 Q. But did those restrictions have to do with  
12 volume only or were they restricted by the  
13 characteristics of the buyers?

14 MR. HECKER: Objection to the form of the  
10:15 15 question.

16 BY MR. MOYE:

17 Q. You can answer.

18 A. I am unaware of characteristics of the  
19 buyers.

10:15 20 Q. For example --

21 (Thereupon, an informal discussion was  
22 held off the record.)

23 BY MR. MOYE:

24 Q. You weren't aware of Ripple ever asking its  
10:15 25 market makers not to sell to non-US persons, right?

10:16 1 A. Not to my knowledge.

2 Q. Not to sell to speculators, correct?

3 MR. HECKER: Objection to the form of the  
4 question.

10:16 5 THE WITNESS: Not to my knowledge.

6 BY MR. MOYE:

7 Q. Okay. Do you know if market makers ever sold  
8 XRP to individuals or firms whose identities were  
9 unknown or shielded in some way?

10:16 10 MS. ZORNBERG: Object to form.

11 MR. HECKER: Objection to the form of the  
12 question.

13 BY MR. MOYE:

14 Q. You can answer.

10:16 15 A. Not to my recollection.

16 Q. Did Ripple ever ask market makers, to the  
17 best of your knowledge, to impose any resale  
18 restrictions on anyone it was selling XRP to?

19 A. Not to my recollection.

10:16 20 Q. To the best of your knowledge, did Ripple  
21 direct market makers to monitor the daily price and  
22 volume of XRP?

23 (Pause.)

24 THE WITNESS: I'm not sure.

25

10:17 1 BY MR. MOYE:

2 Q. To the best --

3 Are you aware of Ripple ever giving instructions to  
4 market makers about when to buy XRP?

10:17 5 A. When to?

6 Q. When to purchase or not purchase XRP?

7 A. Towards the -- towards the end of my  
8 employment of -- at Ripple, Ripple started a buyback  
9 program of XRP. We instructed them to -- we instructed  
10:17 10 GSR, who was conducting the buybacks of XRP, to start  
11 and stop.

12 Q. How about other market makers? Did Ripple  
13 ever instruct [REDACTED] when to buy XRP or how much to  
14 buy XRP?

10:18 15 A. Not to my recollection.

16 Q. How about in sales? Did Ripple ever give  
17 instructions to market makers about how much XRP to  
18 sell?

19 A. Yes.

10:18 20 Q. Did that occur when you were at [REDACTED]?

21 A. Not to my recollection.

22 Q. Okay. These restrictions --

23 These sales restrictions that you were aware of --  
24 did the market makers generally follow Ripple's  
10:18 25 instructions?

10:18 1 A. Yes.

2 Q. Why would Ripple give market makers  
3 instructions about when or how much XRP to sell or to  
4 buy?

10:19 5 A. Ripple provided a target percentage of daily  
6 volume for market makers to liquidate. The idea was  
7 that if the percentage of traded volume was low enough,  
8 it would have relatively low or minimal market impact.

9 Q. By "market impact," do you mean impact on the  
10:19 10 price?

11 A. Partially.

12 (Thereupon, an informal discussion was  
13 held off the record.)

14 BY MR. MOYE:

10:19 15 Q. What else would it impact?

16 A. Liquidity.

17 Q. To the best of your knowledge, were any  
18 Ripple's instructions to market makers done with the  
19 intention of encouraging speculative investment in XRP?

10:20 20 A. Repeat the question.

21 MS. ZORNBERG: Object to form.

22 BY MR. MOYE:

23 Q. To the best of your knowledge, were any of  
24 Ripple's instructions to market makers to sell or buy  
10:20 25 XRP done to encourage speculative investment?

10:20 1 A. Not to my knowledge.

2 Q. As you understood or viewed those  
3 instructions, did any of those instructions have the  
4 effect of encouraging speculative investors?

10:20 5 MR. HECKER: Objection to the form of the  
6 question.

7 THE WITNESS: Not to my understanding.

8 BY MR. MOYE:

9 Q. Okay. A few minutes ago, you used the term  
10:20 10 "liquidity." You may have used it before. I'm sorry.  
11 But let's talk about liquidity, okay?

12 A. Yes, sir.

13 Q. What's your understanding of the meaning of  
14 the term "liquidity" in the context of the market for a  
10:20 15 particular asset?

16 A. Essentially how easily -- easy and available  
17 a quote is for any given size for that particular asset  
18 to buy or sell.

19 Q. If a market is liquid, does it mean there are  
10:21 20 ready and willing buyers and sellers?

21 A. Yes.

22 Q. Okay. Does liquidity mean there are more  
23 sale orders than buy orders?

24 A. Not to my understanding.

10:21 25 Q. Does liquidity measure the ease or



10:21 1 convenience of buying or selling an asset?

2 A. That is my understanding.

3 Q. Is liquidity affected by price?

4 A. I believe so.

10:21 5 Q. Generally, how would liquidity be affected by  
6 price?

7 A. Well, let's say -- let's say an asset is  
8 going to zero, an asset going to zero --

9 Q. You mean -- excuse me, you mean price?

10:22 10 A. Yes. Let's say an asset whose price is  
11 monotonically decreasing to zero, that would be an  
12 indication that there is less and less interest in an  
13 asset. Less and less interest would typically mean  
14 lower liquidity.

10:22 15 Q. What if the price is increasing  
16 significantly, does that make a market less liquid or  
17 illiquid, in your experience?

18 MR. HECKER: Objection to the form.

19 THE WITNESS: I don't think necessarily.

20 MR. MOYE: Okay. Let me flip the  
21 question, then.

22 BY MR. MOYE:

23 Q. If there is a problem with liquidity, if  
24 there's less liquidity regarding an asset, in your  
10:22 25 experience, does that mean the price is high or low?

10:22 1 MR. HECKER: Objection to form,  
2 foundation.

3 BY MR. MOYE:

4 Q. If you can answer.

10:23 5 A. I'm not sure that I can answer.

6 Q. Let me try it this way:

7 If the market for an asset has greater liquidity,  
8 how might that affect the price?

9 A. I don't think it's a direct correlation.

10:23 10 Q. Is there any kind of correlation between  
11 liquidity and price, in your experience?

12 MR. HECKER: Objection to form.

13 BY MR. MOYE:

14 Q. You can answer.

10:23 15 A. I think if you extend my -- my initial  
16 example, if an asset is going to -- if an asset's price  
17 is going to zero, it's indicating lower and lower  
18 interest in that asset.

19 If a price is increasing over time, not necessarily  
10:24 20 at any given time, that typically means a greater  
21 interest in that asset and you can see higher liquidity  
22 for that asset.

23 Q. All right. Let's be more -- a little more  
24 definitive. When you were at Ripple, did you have any  
10:24 25 responsibility for monitoring the price of XRP?

10:24 1 A. I monitored a large number of quantitative  
2 metrics.

3 Q. Yeah. You monitored a lot. I understand  
4 that. Let's pick out price.

10:24 5 A. Yes.

6 Q. Among the things you did at Ripple, did you  
7 have responsibility for monitoring the price of XRP?

8 A. I certainly included price in a number -- in  
9 most analyses that I produced.

10:24 10 Q. As part of your analysis?

11 A. Some -- some analysis, yes.

12 MR. HECKER: Wait.

13 THE WITNESS: Yeah. My mistake. I'm  
14 sorry.

10:24 15 MR. HECKER: Just -- you need to wait for  
16 him to finish his question and then he will do  
17 the same.

18 MR. MOYE: I need to wait as well. Let's  
19 try this again.

10:25 20 BY MR. MOYE:

21 Q. As part of your analysis of XRP while you  
22 were at Ripple, what, if anything, did you compare XRP's  
23 price to?

24 (Pause.)

10:25 25 THE WITNESS: I looked at the ratio of

10:25 1 XRP to be BTC's price.

2 BY MR. MOYE:

3 Q. BTC is Bitcoin?

4 A. Yes.

10:25 5 Q. And when you say you "looked at the ratio,"  
6 what were you looking at and how were you comparing  
7 them?

8 A. The ratio of XRP to Bitcoin essentially tells  
9 you how many XRP you could exchange for one Bitcoin or  
10:26 10 vice -- vice versa.

11 Q. Okay. Bitcoin typically have a higher price  
12 than XRP?

13 A. Yes, sir.

14 Q. Much higher?

10:26 15 A. Yes.

16 Q. Okay, and was there a particular period of  
17 time that you were comparing XRP to Bitcoin, or was that  
18 one of your constant comparisons in your analysis?

19 A. I believe that was a metric I used for --  
10:26 20 consistently through my time at Ripple.

21 Q. Okay, and just to clarify, in doing these  
22 comparison or your data analysis at Ripple, you were  
23 doing this with the intention to report to or contribute  
24 to Ripple's understanding, correct? You weren't doing  
10:26 25 this analysis to keep it to yourself?

10:26 1 MS. ZORNBERG: Objection to form.

2 MR. HECKER: Objection to the form of the  
3 question.

4 MR. MOYE: I can try again.

10:26 5 BY MR. MOYE:

6 Q. As part of your analysis, including the  
7 comparison of price of XRP to Bitcoin, this analysis was  
8 passed along or shared with other people at Ripple,  
9 correct?

10:27 10 A. That's correct.

11 Q. Okay. Did you have any responsibility at  
12 Ripple, as part of your analysis, for monitoring the  
13 market liquidity for XRP?

14 A. Yes.

10:27 15 Q. Okay, and what did you look at or how did you  
16 do that analysis, typically?

17 A. Typically, looking at volume -- reported  
18 volumes by exchange, by geographies.

19 Q. And did you compare XRP to any other product  
10:27 20 or to any other standard in analyzing market liquidity?

21 A. Yes.

22 Q. What were you comparing it to?

23 A. Again, we looked at the liquidity of XRP, the  
24 volumes traded and the volumes reported traded by XRP,  
10:27 25 the volumes traded on Bitcoin.

10:27 1 (Thereupon, an informal discussion was  
2 held off the record.)

3 BY MS. ZORNBERG:

4 Q. And would I be correct that you would use  
10:28 5 this -- you would use these same comparisons or same  
6 standard of comparisons during your whole time you were  
7 at Ripple for your analysis?

8 A. Yes, sir.

9 Q. And who would you share your analysis with  
10:28 10 typically or who would you send up or report your  
11 analysis to?

12 A. There was a stretch of time I would produce a  
13 daily market snapshot on the digital asset markets. I  
14 would produce weekly -- you know.

10:28 15 I would contribute to the weekly XRP markets  
16 presentation at the sales meeting every week and ad hoc  
17 market analyses.

18 Q. Who was part of the weekly sales meeting that  
19 you mentioned?

10:29 20 A. Ripple GC was there.

21 Q. Who -- what's Ripple GC?

22 MS. ZORNBERG: It's okay. It's not  
23 privileged to say in your experience over time  
24 who attended, but you should not get into the  
10:29 25 content of what was discussed.

10:29 1 THE WITNESS: In general?

2 BY MR. MOYE:

3 Q. Uh-huh.

4 A. Regular attendees were Brad Garlinghouse,  
10:29 5 Chris Larsen, the CFO, the GC.

6 Q. General counsel?

7 A. Yes, sir.

8 Q. "CFO" is chief financial officer?

9 A. Yes, sir.

10:29 10 Q. Who was that?

11 A. For a good portion of my time at Ripple,  
12 Ron Will.

13 Q. Ron Will? Okay. Who else?

14 A. The head of the markets team, so either  
10:29 15 Miguel Vias or Breanne Madigan.

16 Q. Okay.

17 A. The -- towards the last, probably, year of my  
18 employment at Ripple I was no longer in that meeting,  
19 but my understanding is that that group had grown.

10:30 20 Q. Okay.

21 MR. HECKER: When you reach a convenient  
22 break point, could we take a quick break?

23 MR. MOYE: Yeah. Why don't we take a  
24 quick 10-minute break now?

10:30 25 MR. HECKER: Great.

10:30 1 (Thereupon, an informal discussion was  
2 held off the record.)

3 THE VIDEOGRAPHER: This will conclude  
4 Video No. 1 in the deposition of  
10:30 5 Dinuka Samarasinghe.

6 We are off the record at 10:30 a.m. on  
7 June 9, 2021.

8 (Recess taken at 10:30 a.m.)

9 (Resumed at 10:47 a.m.)

10:47 10 THE VIDEOGRAPHER: This is the beginning  
11 of Video No. 2 in this deposition. We are on  
12 the record at 10:47 a.m., June 9th, 2021.

13 BY MR. MOYE:

14 Q. Mr. Samarasinghe, in your work at Ripple, did  
10:47 15 you have any responsibility for monitoring the  
16 volatility of the XRP market?

17 A. Yes.

18 Q. How did you do that?

19 A. I constructed a time series of the returns of  
10:48 20 XRP, typically over the 30-day period and then measured  
21 volatility from the return series.

22 Q. Did you compare XRP's market volatility to  
23 any other digital asset?

24 A. Yes, sir.

10:48 25 Q. Which asset?



10:48 1 A. Ultimately, comparisons of volatility of XRP  
2 would be used against, most commonly, Bitcoin and Ether.

3 Q. Okay, and Ether is another digital asset?

4 A. Yes, sir.

10:48 5 Q. Okay, and during what period of time? Since  
6 the whole period of time you were at Ripple?

7 A. It -- volatility of XRP was a metric that we  
8 looked at regularly.

9 Q. And you regularly compared XRP's volatility  
10:49 10 to that of Bitcoin and Ether?

11 A. Yes.

12 Q. Okay, and, again, did you share this  
13 information with other people at Ripple, as part of your  
14 normal work?

10:49 15 A. It is something that I did share. Regularly,  
16 I'm not sure about. Certainly, if something was  
17 interesting about the volatility at some given time, I  
18 would report it.

19 Q. Okay. To your knowledge, did Ripple ever  
10:49 20 take steps to support or increase the market price for  
21 XRP?

22 A. Not to my knowledge.

23 MS. ZORNBERG: Objection, compound. But  
24 you can answer.

10:49 25 THE WITNESS: Not to my knowledge.

10:49 1 BY MR. MOYE:

2 Q. To the best of your knowledge, did Ripple  
3 ever take steps or attempt to increase the market  
4 liquidity for XRP?

10:50 5 A. Yes.

6 Q. What did Ripple do?

7 A. One of the prime missions of the XRP markets  
8 team, under Miguel Vias, was to increase the liquidity  
9 of XRP.

10:50 10 Q. How? What did Ripple do?

11 A. The XRP markets team looked at XRP liquidity  
12 as -- because XRP was to serve a cross-border use case,  
13 Miguel Vias and I attempted to mirror the XRP markets  
14 like that of the foreign exchange markets.

10:50 15 As examples, we partnered with market makers by  
16 providing XRP loans and leases. We tried to grow out  
17 the OTC market for XRP.

18 Q. Did Ripple ever pay market makers to maintain  
19 a particular spread?

10:51 20 A. Yes.

21 Q. How did it do that?

22 A. Ripple partnered with certain market makers,  
23 as an example, [REDACTED], to provide a  
24 bid and ask across several different XRP markets with a  
10:51 25 certain size available on the bid and ask with a

10:51 1 prescribed spread between the bid and ask.

2 Q. How was [REDACTED] compensated for succeeding  
3 in doing this?

4 A. [REDACTED] received XRP.

10:52 5 Q. Do you know whether Ripple ever took similar  
6 steps with other market makers to maintain a certain  
7 spread?

8 MS. ZORNBERG: Object to form.

9 BY MR. MOYE:

10:52 10 Q. You can answer.

11 A. Ripple did pay market makers to provide a  
12 spread, as an example, in ODL markets.

13 (Pause.)

14 BY MR. MOYE:

10:52 15 Q. Were you aware -- are you aware of any other  
16 digital asset for whom market makers are paid to  
17 maintain a spread?

18 A. Yes.

19 Q. What other digital assets?

10:53 20 A. As an example, for -- you know, understanding  
21 the client base of GSR, GSR partners with a number of  
22 different token projects who acquire -- or who are asked  
23 for market making support on their tokens.

24 Q. What tokens were those? Do you know?

10:53 25 A. As an example, [REDACTED], [REDACTED].

10:54 1 Q. To your knowledge, does Bitcoin do this?

2 A. Not to my knowledge.

3 Q. Does Ether do this, to your knowledge?

4 A. Not to my knowledge.

10:54 5 Q. Okay. Going back to liquidity for a moment.

6 To your understanding, do XRP holders in the market  
7 prefer more liquidity or less liquidity?

8 MS. ZORNBERG: Objection to the form.

9 BY MR. MOYE:

10:54 10 Q. You can answer.

11 A. I'm not sure.

12 Q. You don't have any idea one way or the other?

13 MR. HECKER: Objection to the form of the  
14 question, asked and answered.

10:54 15 MR. MOYE: Let me rephrase this.

16 BY MR. MOYE:

17 Q. Talking about an asset in general --

18 A. Uh-huh.

19 Q. -- if the holder of an asset would like to  
10:54 20 sell that asset of some point in time, would the holder  
21 of that asset, do you think, prefer that there be more  
22 liquidity or less liquidity in the market?

23 A. Holders of an asset, in general, would prefer  
24 greater liquidity for that asset.

10:54 25 Q. Okay. Do you think that also applies to XRP

10:54 1 holders?

2 A. Yes --

3 Q. -- that in general, they would prefer more  
4 liquidity to less?

10:55 5 A. Yes.

6 Q. Why is that?

7 A. It lowers the cross to enter or exit a  
8 position.

9 Q. Does it also mean that they could recoup what  
10:55 10 they paid for the asset or, if you will, their  
11 investment in that asset?

12 MR. HECKER: Objection to form,  
13 foundation.

14 BY MR. MOYE:

10:55 15 Q. You can answer.

16 A. Not necessarily.

17 (Pause.)

18 BY MR. MOYE:

19 Q. Did Ripple, to your knowledge, take any  
10:55 20 attempts to -- make any attempts to decrease the  
21 volatility of the XRP market?

22 A. Not to my knowledge.

23 Q. To the best of your knowledge, did Ripple  
24 make any efforts or attempts to stabilize the market  
10:56 25 price of XRP, in other words, to stop it from going

10:56 1 lower?

2 A. I don't recall.

3 Q. Do you know how much XRP was in circulation,  
4 approximately, when you began working at Ripple?

10:56 5 A. Define circulation.

6 Q. How much was available to be purchased when  
7 you began working at Ripple?

8 MR. HECKER: I'm going to object to the  
9 form of the question. You can answer.

10:56 10 (Pause.)

11 THE WITNESS: I -- I don't recall.

12 BY MR. MOYE:

13 Q. So without regard to a particular quantity,  
14 do you know how much -- do you know what the source of  
10:57 15 XRP was that's in circulation now?

16 In other words, how it got to the market?

17 MS. ZORNBERG: Object to form.

18 BY MR. MOYE:

19 Q. You can answer.

10:57 20 A. Ultimately, liquidations by Ripple or early  
21 holders of XRP.

22 Q. Would these those early holders include  
23 Mr. Garlinghouse and Mr. Larsen?

24 (Pause.)

10:57 25 THE WITNESS: I don't know that

10:57 1 Mr. Garlinghouse was an early holder of XRP.

2 BY MR. MOYE:

3 Q. Would the early holders of XRP that sold it  
4 into the market include Mr. Larsen?

10:58 5 A. To my understanding.

6 Q. Okay. Do you know who holds the rest of --  
7 is there some XRP being held that is not in circulation?

8 I apologize.

9 A. By circulation, available to be purchased?

10:58 10 Q. Yes.

11 A. Can you define "available to purchase"?

12 Q. Maybe not technically. What I'm trying to  
13 ask is:

14 If someone wants to go to the market to buy XRP  
10:58 15 now, is there a source or -- or funds of XRP that is  
16 being held that is not available to be purchased by  
17 people in the market?

18 A. Yes.

19 Q. In other words, does Ripple hold a bunch of  
10:59 20 XRP?

21 A. Ripple holds a bunch of XRP that is in  
22 escrow.

23 Q. Okay. What is the purpose of that escrow as  
24 you understand it?

10:59 25 A. As I understand it, the escrow was put in

10:59 1 place to provide surety to digital asset speculators  
2 that Ripple, the company, would not flood the market  
3 with XRP.

4 Q. As you understand that purpose, as you've  
10:59 5 just described it, would another way of saying that mean  
6 that Ripple's not going to sell so much that it crashes  
7 the price held by other people?

8 MR. HECKER: Objection to the form. You  
9 can answer.

10:59 10 BY MR. MOYE:

11 Q. You can use your own words to answer, if you  
12 like.

13 A. Ripple would be prevented through a  
14 cryptographic method from accessing enough quantity at  
11:00 15 any given time to flood the market with XRP.

16 Q. Do you view this as an effort or initiative  
17 by Ripple to control or support -- not control. Let me  
18 take that back.

19 Do you view this escrow by Ripple as a way to  
11:00 20 support or stabilize the market price?

21 A. No, sir.

22 Q. You mentioned "buybacks" earlier in your  
23 testimony. Did you have any understanding of whether  
24 repurchases of XRP were an attempt to stabilize the  
11:00 25 price of Ripple?



11:01 1 MS. ZORNBERG: Object to form. You said,  
2 "price of Ripple."

3 MR. MOYE: Thanks for the clarification,  
4 Lisa.

11:01 5 BY MR. MOYE:

6 Q. Do you view repurchases of XRP as an attempt  
7 to stabilize the price of XRP?

8 A. No.

9 Q. Let's talk about your experience in the  
11:01 10 market in general without regard to XRP.

11 Do you believe that restricting the quantity of  
12 assets that are available for sale can work to increase  
13 or support the price of an asset?

14 MR. HECKER: Sorry. Apologies. Couldn't  
11:01 15 hear.

16 THE WITNESS: I have not seen an  
17 analogous event in any market that I've ever  
18 traded that is comparable to XRP escrow.

19 BY MR. MOYE:

11:02 20 Q. Do you believe the effect of the XRP escrow  
21 works to help support or maintain the price of XRP?

22 MR. HECKER: Objection to the form of the  
23 question.

24 THE WITNESS: I don't believe so.  
25

11:02 1 BY MR. MOYE:

2 Q. Do you think it drives down the price of XRP?

3 A. No.

4 Q. Okay. One more clarification question. Was  
11:02 5 Mr. McCaleb also an early holder of XRP that sold XRP  
6 into the market?

7 A. That is my understanding.

8 Q. Okay. Is there -- I would like to talk about  
9 some of your time at [REDACTED], so I am going to  
11:02 10 mark -- I am going to show you an exhibit that's been  
11 marked as DS Exhibit 1.

12 (Pause.)

13 (Thereupon, a one-page e-mail chain with  
14 the top e-mail dated 1/14/14, from  
11:02 15 [REDACTED].com to Phil Rapoport was  
16 introduced as DS Exhibit 1 for identification.)

17 BY MR. MOYE:

18 Q. Please let me know when you've had a chance  
19 to look it over.

11:03 20 A. I'm ready.

21 Q. Okay. Do you recognize Exhibit DS Exhibit 1  
22 as an e-mail you sent while at [REDACTED] on  
23 Tuesday, January 14, 2014?

24 A. I do not recall sending this e-mail. I have  
11:04 25 no reason to doubt that I did.

11:04 1 Q. Okay. So I want to ask you about the  
2 paragraph that begins with "To give you a little  
3 background on myself."

4 Do you see that paragraph?

11:04 5 A. Yes, sir.

6 Q. As you sit here today, do you believe these  
7 personal details were all correct, that at the time you  
8 sent this e-mail, you've been trading currencies since  
9 November 2009?

11:04 10 A. Yep.

11 Q. Was it also correct that you left a company  
12 called [REDACTED] at the end of February of 2013?

13 A. Yes, sir.

14 Q. I don't remember whether that was one of the  
11:05 15 companies we discussed earlier, but okay.

16 Does this reflect the date of December 31, 2013,  
17 when you officially started at -- actually, did you  
18 officially start at [REDACTED] on January 1st, 2014?

19 A. Yes.

11:05 20 Q. Okay. Was this an e-mail that you sent in  
21 order to begin the process of [REDACTED] trading XRP?

22 A. Again, I don't recall sending the e-mail, but  
23 presumably.

24 Q. Okay. You say, at the last sentence, "We  
11:05 25 should be up and ready to trade XRP in a matter of a few

11:05 1 weeks."

2 Do you see that?

3 A. Yes.

4 Q. Do you recall or can you give me some general  
11:05 5 idea of what [REDACTED] would have needed to do in order  
6 to be ready to trade XRP?

7 A. Yes. We needed to incorporate digital assets  
8 into the pricing engine buildout connectivity to the --  
9 what was known as the Ripple Consensus Ledger, ensure  
11:06 10 that order flow worked, that -- you know we were  
11 probably -- probably -- properly able to place orders,  
12 cancel orders, handle executions, handle partial  
13 executions, adjust our prices correctly, fit it into our  
14 pricing engine and then understand the movement of  
11:06 15 capital to fund these accounts.

16 Q. Was there anything special about Ripple or  
17 XRP that you needed to learn at that time in order to  
18 make those steps happen or was this a general process?

19 A. The process I described is a general process.  
11:07 20 Though "yes" to your question, there were many things  
21 that were, to my experience, unique to trading on -- at  
22 the Ripple Consensus Ledger, as it was known.

23 Q. What were the main differences or the main  
24 things that were unique about this sort of trading?

11:07 25 A. Especially in 2014, the digital asset markets

11:07 1 was very immature and largely dislocated from the  
2 general financial markets.

3 For example, at the time it was very hard to get  
4 bank account if you're a crypto business or -- you know,  
11:07 5 there's no such thing as a prime brokerage, there's no  
6 such thing as central clearing, there's no such thing as  
7 trade give-ups, so you had to work around these holes  
8 in -- that were missing to trade digital assets.

9 Also, the custody and security of the digital  
11:08 10 assets was very different than, say, currencies. Beyond  
11 that, interfacing with the Ripple Consensus Ledger, as  
12 it was known -- now the XRP Ledger -- was unlike dealing  
13 with any exchange that any of us had ever dealt with.

14 You know, typically with a foreign exchange, API,  
11:08 15 you're dealing with a fixed interface, but in this case,  
16 we were looking at very different sort of information  
17 sets to build our APIs to.

18 Q. Had you worked -- either at [REDACTED] or  
19 other places -- with trading other cryptocurrencies?

11:08 20 A. No.

21 Q. Okay, so when you refer to "currency trading"  
22 here, are you referring to fiat currencies?

23 A. That's correct.

24 Q. Okay.

11:08 25 (Thereupon, an eight-page e-mail chain

11:08 1 with the top e-mail dated 11/24/15, from Dinuka  
2 Samarasinghe to [REDACTED] et al., was  
3 introduced as DS Exhibit 2 for identification.)

4 BY MR. MOYE:

11:08 5 Q. All right. Let's show you what's been marked  
6 as DS Exhibit 2.

7 (Pause.)

8 MR. MOYE: So just as a housekeeping  
9 matter, I want to make sure you have access to  
11:09 10 all these during question.

11 But I don't want them to get spilled or  
12 lost or wet, so if there's some way that we  
13 could stack them neatly or put them off to the  
14 side if you're not using them, that's the best  
11:09 15 thing.

16 (Thereupon, an informal discussion was  
17 held off the record.)

18 BY MR. MOYE:

19 Q. Please let me know when you've had a chance  
11:10 20 to look over DS Exhibit 2.

21 A. I've read through my e-mail to [REDACTED].  
22 I have not had a chance to go through -- do you need me  
23 to go through the entire --

24 Q. I don't. I want to ask you about your  
11:11 25 e-mail. Okay.

11:11 1 Do you recognize the top e-mail from DS Exhibit 2  
2 as an e-mail sent by you from [REDACTED] on  
3 November 24, 2015 to [REDACTED]@ripple.com?

4 A. I do not recall sending the e-mail. I recall  
11:12 5 some of the thoughts behind this. I have no reason to  
6 believe I didn't send this.

7 Q. Okay. Fair enough.

8 So I do want to ask you about your thoughts as  
9 expressed in the e-mail. Can you look below to the  
11:12 10 bottom part of the first page?

11 It appears from what's written that on Monday,  
12 November 23rd, [REDACTED] -- it looks like he sent a  
13 Google doc or shared a Google doc with you. Do you  
14 think I am correct about that?

11:12 15 A. (Nodding).

16 Q. Okay, and just the top says "XRP Value  
17 Prop & Incentive Whitepaper." Do you see that?

18 A. Yep.

19 Q. Okay. So we're not going to go through any  
11:12 20 of it, but it appears to be five- or six-page,  
21 single-spaced letter describing the Value  
22 Proposition & Incentive program.

23 Do you see that?

24 A. That's correct.

11:12 25 Q. Okay. So who is [REDACTED]?

11:13 1 A. [REDACTED] was a member of Ripple's  
2 business development team. I came to know him through a  
3 previous employee at Ripple named Phil Rapoport, who  
4 introduced us to [REDACTED], and [REDACTED] handled  
11:13 5 some interfacing with market makers.

6 Q. Okay. Now, as of November 24th, 2015, would  
7 it be correct that [REDACTED] had been trading XRP for  
8 more than a year?

9 A. That's correct.

11:13 10 Q. Okay, and you'd been involved in that  
11 trading?

12 A. Yes, sir.

13 Q. Did you feel like at the time that you  
14 received this e-mail that you had a decent understanding  
11:13 15 of what XRP was and how it was trading, at least up  
16 until that date?

17 A. Yes, sir.

18 Q. Okay. Did you understand this Value  
19 Prop & Incentive Whitepaper to be a change or new  
11:14 20 program that Ripple was considering or going to be  
21 rolling out and they wanted to get your thoughts on it?

22 A. I don't have much recollection of this paper  
23 at all.

24 Q. Okay. So let's look at the very first two  
11:14 25 things that [REDACTED] says in this whitepaper. He



11:14 1 says:

2 "Hey, guys. This is our soon-to-be released XRP  
3 value prop and incentive whitepaper. Please keep this  
4 strictly confidential. We're soliciting feedback from a  
11:14 5 core group of valued partners including yourselves prior  
6 to release."

7 Do you see that?

8 A. Yeah.

9 Q. And then the next paragraph, he says:

11:14 10 "It would be great to get your feedback  
11 particularly on the broad incentive structure."

12 Do you believe that you read the whitepaper and  
13 that was the bases for the thoughts that you  
14 communicated in the top e-mail?

11:14 15 A. I believe that's true.

16 Q. Okay. So let's talk about the responses or  
17 reactions that you had.

18 MS. ZORNBERG: I'm just going to object  
19 insofar as Mr. Samarasinghe has not read the  
11:15 20 whitepaper.

21 He has told you he has no or little  
22 recollection sitting here today, and so I have  
23 a standing objection to the extent you're  
24 asking him to comment on things without giving  
11:15 25 him time to read the whitepaper.

11:15 1 MR. MOYE: I understand. That's noted.

2 BY MR. MOYE:

3 Q. As best you recall, what is the first  
4 reaction or first response that you raise to him in your  
11:15 5 e-mail?

6 A. I'm asking about the spread incentive  
7 function, that's the first thing I say.

8 Q. Okay. You understand what spreads were and  
9 you understand what incentives were at this time,  
11:15 10 correct?

11 So was there something particular about this e-mail  
12 that you -- that you recall that you were struggling  
13 with to understand or -- or --

14 A. I don't recall.

11:15 15 MR. HECKER: Wait, wait. You need to let  
16 him finish his question.

17 THE WITNESS: I'm sorry.

18 MR. HECKER: But one of the reasons is  
19 because I was going to interpose an objection  
11:16 20 at the end of that, in terms of the  
21 foundation, given that we're -- there's a  
22 little bit of a disconnect, since he hasn't  
23 looked to see what he's reacting to. But go  
24 ahead.

25

11:16 1 BY MR. MOYE:

2 Q. I am only asking as best you recall.

3 Obviously, if you feel it would be helpful, we can refer  
4 to different parts of it, but I really only want to

11:16 5 explore your responses based on your knowledge today, if  
6 that's acceptable?

7 A. That's acceptable.

8 Q. Okay.

9 A. My knowledge today, I -- I -- I understand  
11:16 10 what a spread is. I understand what an incentive is. I  
11 don't -- I don't recall how they are -- how it works  
12 within this whitepaper.

13 Q. Okay. How about in the second paragraph of  
14 your response? Right in the middle, there's a sentence  
11:16 15 that begins "It appears from this program, Ripple Labs  
16 is not eliminating this cost" -- it was for two above --  
17 "but distributing this cost to the market makers, and  
18 away from the banks."

19 Do you see that?

11:17 20 A. That's correct.

21 Q. And then it continues -- your thoughts  
22 continue a little bit longer in that paragraph. Can you  
23 give me the gist or the basics? What is it you're  
24 telling me here that you don't agree with or don't  
11:17 25 understand?

11:17 1 A. My recollection --

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: My recollection here is  
4 that they are -- you know, for payment  
11:17 5 providers, they're removing the requirement to  
6 prefund at a destination account to place --  
7 to fund a cross-border payment. My --

8 What I'm objecting here to is the fact  
9 that the payment provider no longer is able --  
11:17 10 is no longer required to produce the  
11 capital -- prefund the destination account;

12 However, the market maker is and the  
13 market maker may not be able to do that as  
14 efficiently as the payment provider.

11:18 15 BY MR. MOYE:

16 Q. Now, when you raised this concern, this  
17 objection, as you said, were you talking do you think in  
18 general or were you thinking also specifically that  
19 [REDACTED] might have a difficulty with this program?

11:18 20 A. I don't recall exactly, but I imagine both.

21 Q. Okay. So both generally and specific to  
22 [REDACTED]?

23 A. Correct.

24 Q. Okay. How about the third question you  
11:18 25 write -- without reading it out loud, but what is it

11:18 1 basically you're asking him to explain or clarify?

2 A. Without reading the whitepaper now or  
3 recalling, if the focus is to become more of an  
4 institutional product where institutions are

11:19 5 facilitating movement of XRP, I wanted to make sure that  
6 I understood how larger institutions could hold XRP or  
7 digital assets at that time.

8 Q. Okay. Actually, I want to clarify. I'm  
9 talking about the 5 percent issuance per year.

11:19 10 A. Oh, that one?

11 Q. Yeah. What's -- let me ask you if I  
12 understand this correctly.

13 Were you asking him to clarify whether a plan to  
14 issue 5 percent XRP a year -- whether that 5 percent  
11:19 15 included payments in XRP to the market makers, the  
16 liquidity providers?

17 A. I don't recall.

18 Q. Okay. So let's go to the fourth paragraph,  
19 then. What's the -- what's your basic concern or  
11:20 20 objection here?

21 MR. HECKER: Objection to the form. You  
22 can answer.

23 THE WITNESS: Given regulatory  
24 uncertainty around digital assets, I was  
11:20 25 unclear how -- not just regulatory

11:20 1           uncertainty, but uncertainty from even  
2           experienced market participants or digital  
3           asset speculators on how to securely hold a  
4           digital asset. I wanted to understand how a  
11:20 5           regulated institution could hold a large  
6           quantity of any digital asset.

7 BY MR. MOYE:

8           Q.     So you began this fourth thought, or fourth  
9           paragraph, by saying "Given that the focus of Ripple has  
11:20 10          shifted entirely to the institutional side."

11           How did you become aware that the focus of Ripple,  
12           as you described it, had shifted to the institutional  
13           side?

14           A.     I don't recall.

11:21 15           Q.     Without regard to this whitepaper but looking  
16           back at your time at [REDACTED], was there a time when  
17           you thought that Ripple changed the way it was focusing  
18           and shifted to the institutional side, as you say here?

19           MR. HECKER: Objection to form.

11:21 20           THE WITNESS: I don't remember.

21           My recollection is that in the digital  
22           asset space -- you know, Bitcoin as an  
23           example -- was -- you know, a way to remove  
24           trust in, say, central banks, regulators, and  
11:21 25           was essentially a way to work away from the

11:21 1 existing system.

2 I think my recollection is that my view  
3 on Ripple was a company that was trying to  
4 work with banks, with regulators, unlike other  
11:22 5 digital assets.

6 BY MR. MOYE:

7 Q. When you talked about institutional -- or  
8 institutions maybe not being able to hold XRP, were you  
9 talking about market makers or other kind of bank --  
11:22 10 other kinds of institutions like banks?

11 A. I believe I was talking about other types of  
12 institutions like banks.

13 Q. Okay. Let's go back to the first paragraph.  
14 The sentence I pointed out to you:

11:22 15 "Ripple Labs is not eliminating this cost but  
16 distributing it to market makers."

17 Do you see that?

18 A. That's correct.

19 MS. ZORNBERG: Just for clarification,  
11:22 20 that's not the first paragraph.

21 MR. MOYE: Thank you, Lisa. Second  
22 paragraph. The second question in the  
23 paragraph.

24 BY MR. MOYE:

11:23 25 Q. To the best of your understanding, was this

11:23 1 also an issue with respect to ODL?

2 In other words, did the same concern about  
3 distributing the cost to market makers and away from the  
4 banks also apply to the ODL system?

11:23 5 A. Yes.

6 Q. And why was that a concern?

7 A. My concern with that is that it is a market  
8 maker, especially a digital asset market maker is less  
9 efficient at delivering capital to -- especially local  
11:23 10 fiat to destination digital asset exchanges. Part of,  
11 you know, scaling liquidity for ODL, we require market  
12 maker support to provide -- to essentially source local  
13 fiat currencies such that it is available to support --  
14 to essentially -- yeah, support ODL payments that are  
11:24 15 going into those corridors.

16 Had typically, these destination digital asset  
17 exchanges have relatively low liquidity, not just  
18 relative to foreign exchange -- well, I mean, foreign  
19 exchange is orders of magnitude larger, but even digital  
11:24 20 assets exchanges in general.

21 (Thereupon, a three-page e-mail chain with  
22 top e-mail dated 10/11/16, from Dinuka  
23 Samarasinghe to [REDACTED] et al., was  
24 introduced as DS Exhibit 3 for identification.)

25



11:24 1 BY MR. MOYE:

2 Q. Okay. Let's look --

3 Let's look at another document. I am going to show  
4 you what's been marked as DS Exhibit 3.

11:25 5 THE WITNESS: Could I have a quick  
6 bathroom break?

7 MR. MOYE: Yeah.

8 MR. HECKER: Of course.

9 THE VIDEOGRAPHER: We are off the record.

11:25 10 The time is 11:25 a.m.

11 (Recess taken at 11:25 a.m.)

12 (Resumed at 11:32 a.m.)

13 THE VIDEOGRAPHER: We are back on the  
14 record. The time is 11:32 a.m.

11:32 15 BY MR. MOYE:

16 Q. Mr. Samarasinghe, before we go on to  
17 DS Exhibit 3, I have one follow-up question I neglected  
18 to ask you about Exhibit 2.

19 Could you go back to that --

11:32 20 A. Yes, sir.

21 Q. -- to what I called erroneously "the first  
22 paragraph" and it's really the second question you  
23 raise.

24 So I've asked you a couple questions about your  
11:32 25 statement, that Ripple is not eliminating the cost, but

11:32 1 distributing it to market makers and away from the  
2 banks.

3 To your understanding of this program, was Ripple  
4 proposing that the market makers would keep this cost  
11:32 5 and, in other words, lower their earnings or their  
6 profitability, or was it your understanding that  
7 whatever additional cost the market makers would incur  
8 would be made up by Ripple?

9 MS. ZORNBERG: Object to form.

11:33 10 THE WITNESS: Maybe -- perhaps rephrase  
11 the question.

12 BY MR. MOYE:

13 Q. Yeah. When you say that Ripple's  
14 transferring cost to the market markers and away from  
11:33 15 the banks, did you think those costs would ultimately  
16 become the responsibility of Ripple under this new  
17 program?

18 A. I don't recall.

19 Q. Don't recall? Okay.

11:33 20 How about with regard to the -- how about with  
21 regard to the ODL transactions that you've described, am  
22 I correct that in these ODL transactions, there's a need  
23 for the exchange to buy XRP in order for the ODL  
24 transaction to work?

11:33 25 A. The Exchange is not buying XRP.

11:33 1 Q. Who is buying the XRP?

2 A. A market participant on the exchange.

3 Q. So the one who wants to send or receive the  
4 funds? Is that what you mean by "market participant"?

11:34 5 A. No. Well, from your -- from your question,  
6 it's unclear if you're talking about the entity sending  
7 the payment. The entity sending the payment --

8 XRP moves cross ledger in -- from their  
9 perspective, right, so it's their XRP. They sell that  
11:34 10 XRP for local fiat to a market participant who exists on  
11 the exchange.

12 Q. Okay. Is that sale or purchase of XRP  
13 necessary or essential to the ODL transaction?

14 MR. HECKER: Objection to form.

11:35 15 THE WITNESS: So in ODL, the recipient of  
16 the payment receives local fiat.

17 BY MR. MOYE:

18 Q. Right.

19 A. For it -- let's move backward.

11:35 20 For that recipient to receive local fiat, the  
21 person -- the entity sending the payment needs to get  
22 that local fiat, and it is sourced from that exchange  
23 via a sale of XRP for local exchange -- fiat on that  
24 exchange. Following that reasoning, I believe that sale  
11:35 25 is necessary for ODL.

11:35 1 Q. Okay. So maybe stated more broadly, do you  
2 agree that for an ODL transaction to work or function as  
3 intended, some market participant needs to purchase the  
4 XRP?

11:35 5 A. That's correct.

6 Q. Okay.

7 A. Doesn't have to be one.

8 Q. Excuse me?

9 A. It could be multiple.

11:36 10 Q. At least one?

11 A. At least one.

12 Q. At least one. Okay. Let's move on to  
13 DS Exhibit 3. DS Exhibit 3 appears to be an e-mail that  
14 you sent from [REDACTED] on October 11th, 2016 to

11:36 15 [REDACTED] at Ripple.

16 Do you see that?

17 A. Yes, sir.

18 Q. Do you either remember this e-mail or have  
19 any -- do you remember this e-mail?

11:36 20 A. I do not.

21 Q. Do you have any reason to doubt that you sent  
22 it?

23 A. No.

24 Q. Okay. So in your own words, what are you  
11:36 25 telling [REDACTED] at this point in time? What's the

11:36 1 purpose of this e-mail?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: The market-making contract  
4 that [REDACTED] had with Ripple included --  
11:37 5 included a -- essentially, either a volume  
6 incentive or a participant rate incentive as  
7 part of the contract.

8 BY MR. MOYE:

9 Q. Am I correct that as part of your contract  
11:37 10 with Ripple, the more business -- the more transactions  
11 that [REDACTED] effectuates, it gets paid either in  
12 dollars or in XRP, the more business it does?

13 A. The more notional volume traded via XRP by  
14 the market -- by the market maker would receive an  
11:37 15 incentive payment in XRP.

16 Q. Okay. So are you essentially telling  
17 [REDACTED] that according to your calculations, the  
18 payment to [REDACTED] needs to be higher, because the  
19 notional value was actually higher?

11:38 20 A. Either the notional value or the  
21 participation number.

22 Q. But your numbers were higher than Ripple's,  
23 right?

24 A. Correct.

11:38 25 Q. So [REDACTED] was entitled to some additional

11:38 1 compensation, correct?

2 A. According to the e-mail.

3 Q. And is that also based on your understanding,  
4 that if the notional value is higher, there's more  
11:38 5 compensation that would be due to [REDACTED]?

6 A. It's either notional or participation rate, I  
7 don't recall.

8 Q. Could be either?

9 A. Could be either.

11:38 10 Q. Okay. As I read the e-mails below in the  
11 chain -- and feel free to refer to them -- it appears  
12 you had to reach out to [REDACTED] several times in  
13 order to get Ripple's calculation of those numbers for  
14 that quarter; is that correct?

11:39 15 (Pause.)

16 THE WITNESS: That's how it appears.

17 BY MR. MOYE:

18 Q. Did Ripple have problems getting you the  
19 quarterly numbers that you needed for these  
11:39 20 calculations?

21 MS. ZORNBERG: Objection. Sorry. Were  
22 you finished?

23 MR. MOYE: Not quite.

24 MS. ZORNBERG: Apologies.

25

11:39 1 BY MR. MOYE:

2 Q. Was it a normal thing for Ripple to have  
3 difficulties or encounter delays in getting you the  
4 numbers that you needed regarding the quarterly  
11:39 5 compensation?

6 A. I don't know.

7 MS. ZORNBERG: Objection.

8 THE WITNESS: I don't recall.

9 BY MR. MOYE:

11:39 10 Q. Don't recall.

11 So as you sit here today, you don't know whether  
12 this was a one-off problem or if this was common?

13 MS. ZORNBERG: Object to form.

14 THE WITNESS: I don't -- I don't

11:39 15 remember.

16 BY MR. MOYE:

17 Q. With regard to the difference in the -- in  
18 your calculation from Ripple's calculation, did you have  
19 any understanding of why there would be a difference,  
11:40 20 why those numbers wouldn't match, and why your numbers  
21 would be higher than Ripple's?

22 (Pause.)

23 THE WITNESS: I -- I don't recall.

24 BY MR. MOYE:

11:40 25 Q. And at the time you were at [REDACTED], would

11:40 1 you have regarded this as a significant problem, that  
2 there was a difference in Ripple's calculations from  
3 yours, or was this something that was not of any real  
4 consequence?

11:40 5 MR. HECKER: Objection to form.

6 MS. ZORNBERG: Object to form.

7 BY MR. MOYE:

8 Q. You can answer.

9 A. You know, I don't recall the incident, and it  
11:40 10 does not -- I don't know what the difference was here,  
11 so it may have been small.

12 Q. Yeah.

13 A. It may have been material, but I don't  
14 really -- I don't have a recollection of this.

11:41 15 (Thereupon, a one-page e-mail dated  
16 12/10/16, from [REDACTED]@ripple.com to  
17 [REDACTED]@ripple.com et al., was introduced as  
18 DS Exhibit 4 for identification.)

19 BY MR. MOYE:

11:41 20 Q. Okay. Let's look at what's been marked as  
21 DS Exhibit 4.

22 (Pause.)

23 (Thereupon, an informal discussion was  
24 held off the record.)  
25



11:41 1 BY MR. MOYE:

2 Q. Okay. Have you had a chance to look at  
3 what's been marked as DS Exhibit 4?

4 (Pause.)

11:42 5 THE WITNESS: Yes.

6 BY MR. MOYE:

7 Q. Okay. Are you familiar with Slack?

8 A. Yes, I am.

9 Q. What is Slack?

11:43 10 A. Slack is an application or web-based tool  
11 used for communications typically within a company,  
12 sometimes between a company and external parties.

13 Q. It's a message, correct?

14 A. Correct.

11:43 15 Q. So it's not e-mail; it's not text? It's --

16 A. Correct.

17 Q. But it's in written form, correct?

18 A. Yes. I mean, sometimes you can have  
19 documents. You can have images, whatever.

11:43 20 Q. It's electronic communication?

21 A. Correct.

22 Q. Okay. This document's printout, subject says  
23 "[Slack Retention]" Ripple - Private," and it's from [REDACTED]  
24 at a Ripple address.

11:43 25 Do you know who that was back in December of 2016?

11:43 1 A. My understanding is [REDACTED].

2 Q. Okay, and then there's "To" -- there's a  
3 number of individuals, including yourself. Do you see  
4 that, "[REDACTED]"?

11:44 5 Do you see your name there in the second line in  
6 the "To" group?

7 A. Yes.

8 Q. Okay, so it says "[REDACTED]@Ripple.com."  
9 Do you see that?

11:44 10 A. Yes.

11 Q. Okay, so did you have a Ripple e-mail address  
12 in December 2016?

13 A. I did not.

14 Q. Do you think this is a feature of Slack or  
11:44 15 their messaging protocol that you're just named for  
16 purposes of this?

17 A. Possibly.

18 Q. Okay. You're not working for Ripple at this  
19 time.

11:44 20 A. No, I'm not working --

21 Q. And you do not have a secret Ripple e-mail  
22 address?

23 A. I do not have a secret Ripple e-mail address.

24 Q. Nor a public e-mail address, to the extent  
11:44 25 you were working?

11:44 1 A. No.

2 Q. All right. Do you have any reason to doubt,  
3 though, you were part of this Slack messaging with these  
4 Ripple individuals in December of 2016?

11:44 5 MR. HECKER: Sorry. When you say, "a  
6 part of," do you mean did he receive --

7 MR. MOYE: That's what I mean.

8 MR. HECKER: -- while he was at  
9 [REDACTED]?

11:44 10 MR. MOYE: That's what I mean.

11 MR. HECKER: Do you know?

12 THE WITNESS: I don't remember how I  
13 communicated with Ripple five years ago.

14 BY MR. MOYE:

11:45 15 Q. All right. So you're not shown as a sender  
16 in any of the messages in this chain.

17 What I want to ask you about is your reaction or  
18 recollection, if you have one, to some of these  
19 messages. Okay?

11:45 20 A. Uh-huh.

21 Q. So in the middle, [REDACTED]@ripple.com says:

22 "Low volatility is great for payments, desired, but  
23 not great for speculative trading."

24 And then [REDACTED] from Ripple says:

11:45 25 "At this stage, I might argue we desire more

11:45 1 speculative trading."

2 Do you see that?

3 A. Yes.

4 Q. Okay. As to the first sentence, did you have  
11:45 5 any understanding, while you were at [REDACTED], whether  
6 low volatility was great for payments?

7 A. While at [REDACTED], I did not give much  
8 thoughts to payments.

9 Q. Okay. Did you have any understanding, while  
11:46 10 you were at [REDACTED], whether low volatility is not  
11 great for speculative trading?

12 (Pause.)

13 THE WITNESS: In my trading days, I would  
14 probably have believed that higher volatility  
11:46 15 is better for speculative trading.

16 BY MR. MOYE:

17 Q. Okay. So with regard to the next phrase  
18 where Tim says, "At this stage, I might argue we desire  
19 more speculative trading," do you remember at any point  
11:46 20 when you were at [REDACTED], being told or having an  
21 understanding, that Ripple desired or might have desired  
22 that there be more speculative trading at XRP?

23 MS. ZORNBERG: Object to the form of the  
24 question.

25

11:47 1 BY MR. MOYE:

2 Q. You can answer.

3 A. One of the functions of a market maker to  
4 provide tighter spreads is to reduce the cost for  
11:47 5 speculators to enter or exit a position, essentially  
6 to -- you know, tighter spreads provided in markets can  
7 have -- can lead to essentially higher liquidity.

8 Q. And how does that relate to speculative  
9 trading?

11:47 10 A. For a person to enter or exit a position, it  
11 becomes less expensive. You have to -- you don't have  
12 to cross as large a spread. You don't have to pay as  
13 much in -- in spread -- bid-out spread to actually get a  
14 position.

11:47 15 Q. While you were at [REDACTED], did you have an  
16 understanding or an impression that Ripple desired to  
17 have a tight spread in XRP?

18 A. Yes.

19 Q. Did you have an understanding or impression  
11:48 20 that Ripple desired there to be speculative trading in  
21 XRP?

22 A. I don't recall.

23 Q. Not one way or the other?

24 A. I'm sorry?

11:48 25 Q. Not one way or the other?

11:48 1 A. I don't recall.

2 Q. Okay. Let's look at the last statement --

3 A. Uh-huh.

4 Q. -- in this exhibit, where [REDACTED]@ripple.com  
11:48 5 says, "The low volatility is likely a symptom of not  
6 having enough MMs trading on this order book," do you  
7 see that?

8 A. Yes.

9 Q. Do you understand "MMs" to be market makers?

11:48 10 A. Yes.

11 Q. Okay. Do you have any reason to agree or  
12 disagree with the statement that back in December of  
13 2016, Ripple viewed low volatility as likely a symptom  
14 of not having enough market makers trading on this order  
11:49 15 book?

16 MR. HECKER: I'm going to object to the  
17 form of the question.

18 THE WITNESS: But -- I don't know that I  
19 agree with the -- with the statement. If a --  
11:49 20 let's say there aren't market makers in -- in  
21 an order book, hypothetically, if a market  
22 participant were to desire to enter into an  
23 order book and there was relatively low  
24 liquidity, an order could eat further into the  
11:49 25 order book, right, into the market depth one

11:49 1 way or the other.

2 So you can certainly imagine a situation  
3 where a higher volatility is due to less  
4 liquidity in an order book.

11:50 5 BY MR. MOYE:

6 Q. Okay. Let me try to rephrase this statement  
7 and see if you agree with it, because I'm not sure I  
8 fully understand what this statement is.

9 Do you think [REDACTED]ripple was saying that -- was  
11:50 10 suggesting that Ripple wanted to have more market makers  
11 trading on the order book?

12 MR. HECKER: Objection, foundation.

13 BY MR. MOYE:

14 Q. You can answer, as best as you understand.

11:50 15 A. As best I understand, that appears to be his  
16 sentiment.

17 Q. Okay. Do you think this statement suggests  
18 that [REDACTED]ripple would prefer there to be higher  
19 volatility if there -- if Ripple was successful in  
11:50 20 getting more market makers?

21 MS. ZORNBERG: Objection.

22 BY MR. MOYE:

23 Q. You can answer.

24 A. Following the messages, it appears that he is  
11:50 25 responding to [REDACTED], who is saying that -- who is

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11:51 1 arguing that Ripple desires more speculative trading and  
2 higher volatility.

3 Q. So at least as it appears to you, that Ripple  
4 would not mind there being higher volatility in the XRP  
11:51 5 market because there might be more speculative trading?

6 MR. HECKER: Objection.

7 BY MR. MOYE:

8 Q. Is that right?

9 MR. HECKER: Objection, foundation.

11:51 10 THE WITNESS: It appears to me that they  
11 desire more speculative trading, or at least  
12 [REDACTED] does.

13 BY MR. MOYE:

14 Q. Okay.

11:51 15 A. I don't know if that is a sentiment shared by  
16 Ripple in general as a whole?

17 Q. Okay.

18 MR. HECKER: Counsel, just so the  
19 record's clear, is there a basis for believing  
11:51 20 that this -- that he was, in fact, on this  
21 Slack chain while he was at [REDACTED] or that  
22 he would have received this while he was at  
23 [REDACTED]?

24 I just -- I don't know the answer to the  
11:51 25 technical question. I know that his --



11:52 1           there's a name for him with a Ripple address.  
2           I mean, do we have a reason to believe he  
3           would have seen this at the time?

4           MR. MOYE: Yeah. All I can do is ask the  
11:52 5           question --

6           MR. HECKER: No, no. I am really asking  
7           for a proffer, because I don't think the  
8           record's clear as to whether we think he  
9           actually would have seen this. I just don't  
11:52 10          know.

11          MR. MOYE: Yeah. The -- the fact is his  
12          name is on the exhibit certainly suggests he  
13          saw it. I have no other reason to think he  
14          had --

11:52 15          MR. HECKER: It's just an e-mail address  
16          that I don't think he had at the time, so  
17          that's why I'm asking the question.

18          MR. MOYE: I get it. That's why I asked  
19          the question.

11:52 20          MR. HECKER: Yeah, okay. All right.

21          (Pause.)

22          (Thereupon, a nine-page e-mail chain with  
23          the top e-mail dated 1/10/17, from Miguel Vias  
24          to Dinuka Samarasinghe was introduced as DS  
11:52 25          Exhibit 5 for identification.)

11:53 1 BY MR. MOYE:

2 Q. All right. Let's look at DS Exhibit 5. This  
3 one's going to take some work, so let me just start  
4 marching through.

11:53 5 A. Okay.

6 Q. DS Exhibit 5 appears to be a chain of e-mails  
7 where the top e-mail was sent to you by Mr. Miguel Vias  
8 at Ripple on January 10th, 2017.

9 Do you see that?

11:53 10 A. Yes.

11 Q. Okay. Were you corresponding with Mr. Vias  
12 by e-mail when you were at [REDACTED] and he was at  
13 Ripple?

14 A. Yes, I was.

11:54 15 Q. Okay. So at the bottom of the first page,  
16 [REDACTED].com says "Hello, Miguel. Thank you  
17 for your e-mail yesterday."

18 Do you see that?

19 A. Yes.

11:54 20 Q. Okay. I want you to look at, first of all,  
21 the two paragraphs under there and, let me know when  
22 you've had a chance to do that.

23 A. Two paragraphs starting "While we understand  
24 your points ... "?

11:54 25 Q. Yeah.

11:54 1 A. Okay.

2 (Pause.)

3 BY MR. MOYE:

4 Q. Okay. As best as you can recall, what are  
11:55 5 you trying to communicate with Mr. Vias in these first  
6 two paragraphs of this e-mail?

7 A. So from reading further down in the e-mail  
8 chain, it appears that our market-making contract -- the  
9 market-making contract between [REDACTED] had lapsed or  
11:55 10 expired, and we removed -- we stopped quoting XRP euro  
11 on GateHub.

12 I have a recollection that Ripple communicated to  
13 us that XRP would be listed on the Bitstamp exchange,  
14 the XRP euro order book, and I recall rosy expectations  
11:56 15 of XRP euro to be traded on Bitstamp, and I am  
16 expressing some doubts --

17 Q. Reluctance?

18 A. Uh-huh?

19 Q. Reluctance, perhaps?

11:56 20 A. No. Doubts.

21 MR. HECKER: Okay.

22 THE WITNESS: Sorry.

23 MR. HECKER: You should let him finish  
24 his answer.

11:56 25 THE WITNESS: I'm sorry. I apologize.

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11:56 1 MR. HECKER: Okay.

2 THE WITNESS: I'm expressing doubts that  
3 on exchange volumes for -- on Bitstamp volumes  
4 for XRP euro would be higher than that of  
11:56 5 Bitcoin versus euro.

6 BY MR. MOYE:

7 Q. Were your comments here limited just to --  
8 I'm sorry. Was Bitstamp an exchange -- a new exchange,  
9 or a --

11:57 10 A. Bitstamp is a digital asset exchange. It was  
11 new-ish in 2017 compared to, say, the [REDACTED]. I think it  
12 was a relatively longstanding digital asset exchange.

13 Q. Okay, and I'm --

14 As best you recall, were your comments here  
11:57 15 directed solely to working with Ripple on the new  
16 Bitstamp exchange, or were they directed to the  
17 preexisting relationship that [REDACTED] had with Ripple  
18 on other exchanges?

19 MS. ZORNBERG: Objection to "comments  
11:57 20 here." This is a multi-page document.

21 MR. MOYE: Yeah.

22 BY MR. MOYE:

23 Q. Just the comments on the top part of this  
24 e-mail we've talked about so far.

11:58 25 A. All right. So historically, [REDACTED]

11:58 1 market making for Ripple was primarily done on the RCL  
2 or, now, XRP Ledger. This would have been a departure  
3 in that it would have been a centralized order book that  
4 was not the XRP Ledger.

11:58 5 Q. Okay. So a new way of doing business; is  
6 that correct?

7 A. Correct.

8 Q. Okay, and it sounds like you're expressing  
9 doubts or reservations about whether [REDACTED] would be  
11:58 10 interested in pursuing that new way of doing business;  
11 is that right?

12 MR. HECKER: Objection to form.

13 THE WITNESS: It reads to me that I'm  
14 objecting to a contract proposal from -- from  
11:58 15 Ripple to [REDACTED] to participate on the XRP  
16 order book on Bitstamp.

17 BY MR. MOYE:

18 Q. Okay. Could you review what's on the second  
19 page all the way down to where it says "Thank you,  
11:59 20 Dinuka" for my next set of questions?

21 (Pause.)

22 THE WITNESS: Okay.

23 BY MR. MOYE:

24 Q. Okay. So with regard to the thoughts you're  
11:59 25 expressing down to the "Thank you, Dinuka," what are you

11:59 1 trying to communicate about the current volume incentive  
2 program?

3 A. So I think I -- I provide graphs of  
4 essentially volume on order books that we had previously  
12:00 5 provided market making quotes on, and then since the  
6 contract expired and we stopped quoting on those order  
7 books, I think I -- we showed a sharp reduction in  
8 volumes being traded on those order books.

9 It looks like I am objecting to their proposal,  
12:00 10 without having read the contract -- or without recalling  
11 the contract --

12 Q. Okay.

13 A. -- to the proposed volume incentive program.

14 Q. All right. Now, I would like you to go  
12:00 15 below, where you said, "Thank you, Dinuka" --

16 A. Uh-huh.

17 Q. -- and read the comments that you wrote on  
18 Tuesday, January 10th, 2017.

19 A. Yep.

12:00 20 Q. So the bottom of page 2, to the top of  
21 page 3, to the next set of e-mail where it says  
22 "Removing [REDACTED] and Miguel."

23 A. Yep.

24 Q. So what are you communicating in the  
12:01 25 paragraph that begins "And last, it isn't like XRP is a

12:01 1 hot commodity"?

2 A. I'm writing this as a digital asset trader,  
3 not as a member of Ripple.

4 Q. Sure.

12:01 5 A. But it looks like I am complaining about the  
6 price of XRP.

7 Q. That it's too low or too high?

8 A. That it's low, or it had been going down.

9 Q. Okay. So with that caveat in mind, can you  
12:01 10 add some context or help me understand what you mean --  
11 what up meant when you said, parentheses, "Perhaps  
12 Ripple needs to goose up the price to increase interest  
13 before the launch"?

14 A. What I meant was, you know, from the  
12:01 15 perspective of [REDACTED], the declining price of XRP  
16 meant that our contract was getting worse -- the USD  
17 notional of our contract was going lower and lower, and  
18 we were getting increasingly frustrated about the  
19 declining value of our services.

12:02 20 Q. So when you said, "Perhaps Ripple needs to  
21 goose up the price to increase interest before the  
22 launch," at that time, how did you understand or imagine  
23 that Ripple might be able to help the price of XRP  
24 increase?

12:02 25 MS. ZORNBERG: Object to form.

12:02 1 BY MR. MOYE:

2 Q. You could answer.

3 A. I have no reason to believe that Ripple ever  
4 did goose up the price. I think I was more venting  
12:02 5 about the declining cost of our services.

6 Q. But you did choose the language that said  
7 "Perhaps Ripple needs to goose up the price," correct?

8 A. Yes.

9 MS. ZORNBERG: Objection.

12:03 10 BY MR. MOYE:

11 Q. Okay. So let me ask a hypothetical.

12 At that time when you were at [REDACTED] and you  
13 were having this conversation, did you believe that  
14 restricting the pool of XRP that's available to purchase  
12:03 15 on the market, if that could be done, might have helped  
16 increase the price?

17 MS. ZORNBERG: Objection.

18 BY MR. MOYE:

19 Q. You can answer.

12:03 20 A. I think you're going into escrow. I had zero  
21 visibility into any indication that Ripple was even  
22 considering escrow.

23 Q. Okay. Did you think Ripple announcing good  
24 news or progress to the public, hypothetically, could  
12:03 25 help increase the price of XRP?



12:03 1 MS. ZORNBERG: Sorry. "Hypothetically,"  
2 you said?

3 MR. MOYE: Yes.

4 MS. ZORNBERG: Objection to the  
12:03 5 hypothetical.

6 THE WITNESS: I mean, hypothetically,  
7 historically, one would see that good news  
8 reported may lead to higher price in an asset.

9 Interestingly enough, though, through the  
12:04 10 early days of XRP -- you know, I think -- I've  
11 recalled message boards and believing it  
12 myself that good news reported by Ripple  
13 tended to be negatively correlated to XRP  
14 price.

12:04 15 BY MR. MOYE:

16 Q. At what point in time?

17 A. During my [REDACTED].

18 Q. During your [REDACTED] time?

19 A. (Nodding).

12:04 20 Q. All right. Now, I would like you to turn  
21 over to -- I guess this is the fourth page. Near the  
22 top, it says "Hi, Dinuka. Best, Miguel."

23 Do you see that?

24 A. Yes.

12:04 25 Q. And then there's a number of paragraphs that

12:04 1 go below and also on the second and even the third page,  
2 so if I ask you any question about a particular  
3 paragraph, I'll direct you to it.

4 A. Okay.

12:05 5 Q. But would you take a moment, please, and look  
6 at some of these paragraphs and see if you can confirm  
7 that some of these are paragraphs that Miguel Vias wrote  
8 and some are your responses?

9 (Pause.)

12:05 10 BY MR. MOYE:

11 Q. Or maybe I have that backward, maybe some of  
12 these are your statements and some of these are  
13 Miguel Vias's responses.

14 A. It is unclear to me which -- where they're  
12:05 15 separated, but like --

16 For example, "I'm sorry to hear that and hope you  
17 will reconsider given my responses below." Then  
18 immediately, it says "[REDACTED] has clearly been a good  
19 partner to Ripple."

12:06 20 MR. HECKER: Sorry. When you -- the  
21 court reporter's going to have a hard time  
22 hearing you.

23 (Thereupon, an informal discussion was  
24 held off the record.)  
25

12:06 1 BY MR. MOYE:

2 Q. Okay, so just looking at those first two  
3 paragraphs --

4 A. Okay.

12:06 5 Q. -- does the paragraph that says "While we are  
6 interested" -- Does that appear to be yours? And the  
7 paragraph that says "I'm sorry that" -- does that appear  
8 to be a response by Mr. Vias?

9 A. It appears to be.

12:06 10 Q. Okay. So the next two paragraphs, does the  
11 paragraph that says "Although the program aims to  
12 incentivize liquidity" --

13 Does that appear to be your paragraph and does the  
14 following appear to be a response by Mr. Vias?

12:06 15 A. The "although the program aims" paragraph  
16 appears to be my paragraph.

17 Q. Uh-huh, so I guess --

18 A. Yes, and the -- yes.

19 "While I agree" -- this appears to be a Miguel Vias  
12:07 20 paragraph.

21 Q. Okay. Let's look at the next paragraph. "We  
22 also have concerns." Does that appear to be yours?

23 A. That appears to be mine.

24 Q. Okay, and how about the next paragraph? "It  
12:07 25 might seem easy." Is that yours or Mr. Vias'?

12:07 1 A. That appears to be Mr. Vias'?

2 Q. Okay. The last paragraph on this page that  
3 rolls over onto the top of the next page, "Finally, the  
4 numbers of the contract" -- does that appear to be you?

12:08 5 A. That appears to be me.

6 Q. Okay. The next paragraph that starts out  
7 "BTC/EUR," is that also you?

8 A. That appears to be me.

9 Q. Okay. The paragraph that begins "[REDACTED]," is  
12:08 10 that Mr. Vias?

11 (Pause.)

12 THE WITNESS: It appears to be Mr. Vias.

13 BY MR. MOYE:

14 Q. Okay. So the next paragraph, "While we have  
12:08 15 great faith in Ripple" --

16 A. Uh-huh.

17 Q. -- is that you?

18 A. That is me.

19 Q. And is the next paragraph, "[REDACTED]" is a  
12:09 20 professional" -- is that also you?

21 (Pause.)

22 THE WITNESS: That appears to be me.

23 BY MR. MOYE:

24 Q. Okay. Please take a moment and review those  
12:09 25 two paragraphs, the "While we have great faith" and a

123

12:09 1 the "[REDACTED] is a professional" --

2 A. Okay.

3 Q. -- and let me know when you have done that.

4 (Pause.)

12:09 5 THE WITNESS: Okay.

6 BY MR. MOYE:

7 Q. What did you mean -- what were you trying to  
8 communicate in the first paragraph that begins "While we  
9 have had great faith in Ripple"?

12:10 10 A. I don't remember.

11 Q. Okay. Do you think you believed at the time  
12 you were making accurate statements?

13 A. Yes.

14 Q. Okay. So do you think at the time you  
12:10 15 thought the following statement was accurate?

16 A. Yes. Since --

17 Q. Let me read it. Let me read it.

18 A. Sorry. There was a pause.

19 MR. HECKER: No, but you don't know which  
12:10 20 statement he's talking about.

21 BY MR. MOYE:

22 Q. All right. Right in the middle of the  
23 paragraph, "Since we have pulled our market making  
24 quotes, the market are far more sparse than they had  
12:10 25 been with a large bias towards selling XRP."

12:10 1 Do you see that?

2 A. Yes.

3 Q. Do you believe that was accurate at the time  
4 you wrote it?

12:10 5 A. I believe so.

6 Q. And the next sentence, "It seems that only a  
7 small amount of XRP, you could move the market  
8 considerably to the downside."

9 Do you see that?

12:11 10 A. That's correct.

11 Q. Do you believe that was your -- that's an  
12 accurate statement of your impression at the time that  
13 you wrote this?

14 A. I believe so.

12:11 15 Q. When you say, "a small amount of XRP, you  
16 could move the market to the downside," do you mean  
17 selling XRP?

18 A. Reading the statement, I believe that's what  
19 I meant.

12:11 20 Q. Okay. Going to the middle of the next  
21 paragraph, sentence that says "As currently structured."  
22 Do you see that?

23 A. Yes.

24 Q. Could you read that statement out loud,  
12:11 25 slowly, for the court reporter?

12:11 1 A. "As currently structured, all this program  
2 does is incentivize those in it to perform wash trades  
3 with each other up to the [REDACTED] cap of the total  
4 volume."

12:11 5 Q. Okay. At the time that you wrote this, did  
6 you believe that was an accurate statement of your  
7 understanding or impressions?

8 A. I believe so.

9 Q. Okay. What's your general understanding of  
12:11 10 the phrase "wash trades" as you use it?

11 A. My general understanding of wash trades was  
12 essentially you self-deal. Otherwise, buy and sell to  
13 yourself for -- at the same price.

14 Q. Okay. So you can put aside from document for  
12:12 15 now. I would like to ask you a couple of questions  
16 about your general impressions of Ripple.

17 A. Uh-huh.

18 Q. Now, I want to ask it about this same time  
19 period, so we're talking about January 2017 when you're  
12:12 20 still at [REDACTED], okay?

21 In early 2017, was it your impression that Ripple  
22 was generating operating revenue, revenue for the  
23 company by selling XRP?

24 A. At this point, yes. I believed that Ripple  
12:13 25 had been selling XRP to generate operating revenue.

12:13 1 Q. Do you have an understanding of the phrase  
2 "gateway liquidity"?

3 A. Yes.

4 Q. What, to your knowledge --  
12:13 5 As you understand it, what is meant by the phrase  
6 "gateway liquidity"?

7 A. So XRP Ledger is a decentralized ledger,  
8 right? You can compare that to something like a  
9 Coinbase, for example. Coinbase is a centralized  
12:13 10 exchange. Now, if I wanted to trade on Coinbase, I can  
11 send a wire to Coinbase. They will receive that wire in  
12 their bank account. They can credit my account to trade  
13 how they saw fit.

14 XRP Ledger is a decentralized exchange, so there's  
12:13 15 no one to send a wire to necessarily, right, for XRP  
16 Ledger in general. So you need to have a way to bring a  
17 representation of other assets onto this decentralized  
18 exchange, right?

19 MR. HECKER: Need to keep your voice up.  
12:14 20 (Thereupon, an informal discussion was  
21 held off the record.)

22 THE WITNESS: "Exchange." A gateway was  
23 an institution that functioned --

24 (Thereupon, the requested portion of the  
12:14 25 stenographic record was read back by the



12:14 1 shorthand reporter.)

2 THE WITNESS: "Exchange."

3 MS. ZORNBERG: Okay. Thank you.

4 THE WITNESS: So a gateway was an entity  
12:14 5 that, say, set up either a bank account or  
6 another means to bring a representation of an  
7 asset onto the XRP Ledger.

8 As an example, [REDACTED] would allow you  
9 to send them Bitcoin to a Bitcoin address and  
12:15 10 they would create a Bitcoin IOU on the XRP  
11 Ledger.

12 So gateway liquidity had to do with the  
13 liquidity for a representation or -- or -- for  
14 that entity's representation of a certain  
12:15 15 asset on the XRP order book.

16 BY MR. MOYE:

17 Q. As you described that process, in early 2017,  
18 did you believe that Ripple was providing XRP to  
19 gateways in order to fund company operations?

12:15 20 MS. ZORNBERG: Objection to form.

21 THE WITNESS: I don't recall.

22 (Thereupon, a two-page e-mail chain with  
23 top e-mail dated 9/28/17, from [REDACTED] to  
24 [REDACTED] et al. was introduced as DS  
12:15 25 Exhibit 6 for identification.)

12:15 1 BY MR. MOYE:

2 Q. Okay. Let's take a look at DS Exhibit 6.  
3 Please let me know when you've had a chance to look it  
4 over.

12:17 5 A. Okay.

6 Q. Okay. DS Exhibit 6 appears to be a printout  
7 of an e-mail from [REDACTED] at Ripple on  
8 September 28, 2017, to [REDACTED] at  
9 [REDACTED].com with you as a cc.

12:17 10 Do you see that?

11 A. I do see that.

12 Q. Now, we show you there with a  
13 [REDACTED]@ripple.com e-mail address; is that right?

14 A. Yes, sir.

12:17 15 Q. So at this time you are an employee at  
16 Ripple, and you are working underneath Mr. Vias; is that  
17 right?

18 A. That's correct.

19 Q. Okay, and what's your Ripple to [REDACTED] at  
12:18 20 this point in time?

21 A. [REDACTED] was a -- he was -- he was an  
22 employee at Ripple. Again, I had interface with him  
23 quite a bit while I was at [REDACTED]. He  
24 reported directly to Miguel Vias at the time, as did I.

12:18 25 Q. Okay. At this point in time, September of

12:18 1 2017, based on these e-mails, does it appear that Ripple  
2 is trying to form a relationship or do business with  
3 [REDACTED]?

4 A. That's how it appears.

12:18 5 Q. Does it appear [REDACTED] is heading  
6 that effort?

7 MS. ZORNBERG: Object to form and  
8 foundation.

9 THE WITNESS: I don't know that he's  
12:18 10 heading that effort, but he's participating,  
11 it looks like.

12 BY MR. MOYE:

13 Q. Okay. Do you know why you were part of  
14 this -- why you were copied on these e-mails?

12:19 15 A. I don't -- I don't recall this e-mail  
16 exchange.

17 Q. Okay. So with that caveat in mind, could you  
18 look at the bottom of the page -- bottom half of the  
19 page, where [REDACTED] writes "Hello Miguel and  
12:19 20 [REDACTED]."

21 Do you see that?

22 A. Yes.

23 Q. Okay. So there's a paragraph that begins:

24 "We can discuss cash payout at a later point if it  
12:19 25 makes sense." Why don't you read that paragraph to

12:19 1 yourself and let me know when you've had a chance to?

2 (Pause.)

3 THE WITNESS: Okay.

4 BY MR. MOYE:

12:19 5 Q. Okay. Do you know whether at this point in  
6 time Ripple was interested in doing business with  
7 [REDACTED]?

8 A. I don't recall.

9 Q. Do you know what [REDACTED] is referring  
12:20 10 to when he says "The cash business is obviously much  
11 large [sic] in the tens of billions in annual flow"?

12 A. Without recollection of this e-mail, I'm  
13 guessing this is [REDACTED] remittance business.

14 Q. Their money transfer business?

12:20 15 A. Correct.

16 Q. Okay. Based on this e-mail and what you know  
17 about Ripple, he wouldn't be talking about Ripple's  
18 money transfer business?

19 MR. HECKER: Objection to the premises.

12:20 20 Since he doesn't remember the e-mail or the  
21 exchange, I'm not sure how he would base his  
22 answer on the e-mail, but ...

23 MR. MOYE: I think he's given an  
24 appropriate caveat.

25

12:20 1 BY MR. MOYE:

2 Q. In the last sentence, [REDACTED] says,  
3 "In general, there is only a very small portion of this  
4 business that is prefunded."

12:20 5 So for the purposes of this question, please  
6 assume -- and I could be wrong -- please assume "this  
7 business" means Mr. -- means [REDACTED] business.

8 A. Uh-huh.

9 Q. Not Ripple's business.

12:21 10 Do you have any understanding of what  
11 [REDACTED] meant when he said "There's a small  
12 portion of [REDACTED] business that is prefunded"?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: So my assumptions here are  
12:21 15 that this is [REDACTED] money remittance  
16 business. From the e-mail, I would gather  
17 that this is -- he's talking about prefunding  
18 destination payout.

19 BY MR. MOYE:

12:21 20 Q. Okay, and is that the sort of business -- am  
21 I correct that that's a sort of business that Ripple  
22 does with its XRP -- I'm sorry -- that XRP is used for  
23 in the ODL transactions?

24 A. ODL was not live at the date of this -- this  
12:21 25 e-mail.

12:21 1 Q. Was there a product -- I'm sorry. Not a  
2 product. Was there a method of doing business through  
3 XRP-O?

4 A. Not at this time.

12:22 5 Q. Not at this point? Okay. Let me ask you a  
6 different question.

7 Did you have an understanding of whether  
8 [REDACTED], having only a small part of its business  
9 being prefunded, as being good news for doing a  
12:22 10 relationship with Ripple, or potentially bad news?

11 A. Could you repeat your question?

12 Q. Yes.

13 A. Or rephrase, perhaps?

14 Q. I will rephrase.

12:22 15 Was Ripple attempting to do business with  
16 [REDACTED], as best you can tell, in a -- through  
17 prefunded transactions?

18 MR. HECKER: Objection, foundation.

19 THE WITNESS: As best I could tell from  
12:22 20 this e-mail record.

21 BY MR. MOYE:

22 Q. Sorry? What was the last word you said?

23 A. From this e-mail record.

24 Q. That it would be yes, as best as you could  
12:23 25 tell?

12:23 1 A. Yes, as best as I could tell from this  
2 e-mail.

3 Q. Okay. But you have no independent  
4 recollection one way or the other?

12:23 5 A. No.

6 Q. All right. You can put that aside.

7 (Thereupon, a three-page e-mail chain with  
8 the top e-mail dated 11/2/17, from Miguel Vias  
9 to Patrick Griffin was introduced as DS  
12:23 10 Exhibit 7 for identification.)

11 BY MR. MOYE:

12 Q. All right. Please take a look at what's been  
13 marked as DS Exhibit 7.

14 MS. ZORNBERG: Thank you.

12:23 15 (Pause.)

16 BY MR. MOYE:

17 Q. DS Exhibit 7 is a chain of e-mails, the top  
18 of which is from [REDACTED]@ripple.com to  
19 Patrick Griffin on November 2, 2017. "Subject:  
12:24 20 Forward: Framework."

21 But right below that is an e-mail from you to  
22 Mr. Vias, and so I would like you to read through that  
23 e-mail to yourself and let me know when you're done.

24 (Pause.)

12:25 25 THE WITNESS: Okay.

12:25 1 BY MR. MOYE:

2 Q. Okay. Have you ever heard of something  
3 called a GDAX or G-D-A-X framework?

4 A. Yes.

12:25 5 Q. Can you tell us what a GDAX framework  
6 generally is?

7 A. GDAX was a digital asset exchange related to  
8 Coinbase. It was more Coinbase's, at the time,  
9 institutional digital asset exchange with an open order  
12:25 10 book. It had a framework upon which it claimed to base  
11 decisions whether or not to list a digital asset on its  
12 order books.

13 Q. Okay. Based on this e-mail, does it appear  
14 that you were asked to evaluate whether XRP could be  
12:25 15 listed on the GDAX exchange?

16 A. From this exchange, it appears that I'm asked  
17 to evaluate how XRP fits within this framework.

18 Q. Okay. Is that separate from the question of  
19 whether it could be listed or is that part of the  
12:26 20 consideration?

21 A. I don't have visibility as to how -- what --  
22 how closely GDAX followed their guidelines or what  
23 weights they put on any of these different criteria.

24 Q. Okay. Fair enough.

12:26 25 So who asked you to take a look at the GDAX



12:26 1 framework and compare it to Ripple and XRP?

2 MS. ZORNBERG: Objection to the form.

3 THE WITNESS: It appears Miguel Vias did.

4 BY MR. MOYE:

12:26 5 Q. Okay. So looking at your e-mail that you  
6 sent to Mr. Vias, what is the -- what's the first  
7 comment you made about Section 1 of GDAX's mission and  
8 values?

9 A. The first comment I made is "Ripple may not  
12:26 10 be considered fully decentralized, and Ripple consensus  
11 is not entirely trustless."

12 Q. What does that mean, in layman's terms?

13 A. I should give a caveat that I am not an  
14 expert in Byzantine fault tolerance consensus  
12:27 15 mechanisms. That would be, say, Arthur Britto or  
16 David Schwartz, so I'm giving my understanding at the  
17 time.

18 Q. Fair enough.

19 A. So this is Ripple may not be considered fully  
12:27 20 decentralized. I think the --

21 The general view was that assets like Bitcoin and  
22 Ether were considered more "decentralized," and Ripple's  
23 consensus may not have been, and what I'm basing this on  
24 here at the time was Ripple -- there's something called  
12:27 25 a Unique Node List, which is a list of validators that

12:27 1 you could -- you know.

2 If you're participating in consensus, you have to  
3 have a certain overlap with a set of nodes, and Ripple  
4 published -- again, this is me speaking not as an expert  
12:28 5 on XRP consensus, but you had to have some sort of  
6 overlap with a large number of these nodes and Ripple  
7 provided a list of validators that they considered of  
8 high quality.

9 Q. Okay. So does that explanation go to --

12:28 10 MR. HECKER: You need to keep your voice  
11 up.

12 THE WITNESS: Sorry.

13 BY MR. MOYE:

14 Q. Does that explanation go to the  
12:28 15 decentralization point or the trustless point, or both?

16 A. Ultimately both, because decentralization  
17 attempts to solve for trust.

18 Q. Okay. Let's go to the second comment or  
19 point you make under Section 6.0, "Crypto Economics."  
12:29 20 What is your comment there?

21 A. My comment here is "Ripple does hold the  
22 majority of XRP, though perhaps we can argue the other  
23 way once we do the lockup."

24 Q. What is the "lockup" that you refer to?

12:29 25 A. Escrow.

12:29 1 Q. So at this point in time, November of 2017,  
2 did you understand Ripple to be contemplating doing an  
3 escrow of XRP?

4 A. I -- I believe I understood we were working  
12:29 5 on the escrow.

6 Q. That that was in the works?

7 A. Yes.

8 Q. Okay. So there's another bullet under "2.2  
9 Team." Let's call that your third comment.

12:29 10 A. Uh-huh.

11 Q. What's your third comment -- what does it  
12 mean?

13 A. I said, "Perhaps they might interpret Ripple  
14 leadership as highly centralized."

12:29 15 Q. What's the basis for that comment?

16 A. Ripple being a private company with a  
17 leadership team -- private companies, you know,  
18 executive officer. For example, there was no company in  
19 charge of, say, Bitcoin.

12:30 20 Q. Okay. So the "highly centralized" refers to  
21 the size Ripple's leadership team; is that correct?

22 MR. HECKER: Objection to form,  
23 foundation, mischaracterizes his testimony.

24 THE WITNESS: I don't think it is about  
12:30 25 the size of the leadership team. I believe it

12:30 1 is more about the existence of the leadership  
2 team.

3 BY MR. MOYE:

4 Q. Okay. Well, looking above your comment,  
12:30 5 where it says "Specialized knowledge and key people,"  
6 you're quoting from the GDAX framework there, correct?

7 A. That's correct.

8 Q. And the GDAX framework says "The product  
9 leadership is not highly centralized or dependent on a  
12:30 10 small number of key persons," correct?

11 A. That is from the -- my understanding is that  
12 that is from the GDAX framework.

13 Q. Okay. So when you said, "Perhaps they might  
14 interpret Ripple leadership as highly centralized," were  
12:30 15 you also saying that the small number of key people --  
16 that a small number of key people might be part of that  
17 view, that Ripple is highly centralized?

18 MR. HECKER: Objection to form,  
19 foundation.

12:31 20 BY MR. MOYE:

21 Q. Let me ask it this way: Did the --  
22 Do you agree that at this point in time, Ripple had  
23 a small number of key people in leadership positions?

24 A. Probably.

12:31 25 MS. ZORNBERG: Object.

12:31 1 BY MR. MOYE:

2 Q. That was "probably"?

3 A. Probably.

4 Q. Okay. Let's go to your next comment. So  
12:31 5 this is a comment about source code?

6 A. Uh-huh.

7 Q. What's your comment about source code?

8 A. I believe the Ripple -- it's spelled Rippled,  
9 but it's referred to as "Ripple D. "

12:31 10 Q. Okay.

11 A. I believe the Ripple D code is open source,  
12 but I can't speak to it well-documented peer-review.

13 Q. So open sourced would be consistent with the  
14 GDAX framework, correct?

12:32 15 A. That's correct.

16 Q. And you just didn't have enough knowledge  
17 about the peer-review process?

18 A. Correct.

19 Q. Okay. What's the next comment you made about  
12:32 20 Crypto Economics under "6.1, Economic Incentives"?

21 A. "XRP does not have any economic incentives  
22 for a participant to run a validator. To penalize a bad  
23 actor holding up consensus, we can remove that validator  
24 from our list."

12:32 25 Q. Okay. Are you quoting something there? I

12:32 1 can't tell if that's a "... " or if those are your own  
2 words.

3 A. I believe these are my own words.

4 Q. Okay. So what are validators, and why, under  
12:32 5 this framework, would be -- should they be incentivized  
6 good behavior or deterred from bad behavior?

7 A. Again, I'm not the expert in XRP consensus  
8 here. But typically, let's talk about -- let's talk  
9 about Bitcoin and then we can draw comparison.

12:33 10 Bitcoin's proof of work mechanism run by "miners,"  
11 is what's -- you know, if you solve the proof of work,  
12 you essentially unlock a block, and then you receive a  
13 trans -- a block award for unlocking that block, right?

14 So proof of work essentially solves three  
12:33 15 functions: First is the double-spend problem, right?  
16 So you don't -- you're not relying on a certain trusted  
17 authority to say you have this amount of assets. You  
18 can spend it and not spend it tomorrow. That's  
19 essentially the problem any of these distributed ledger  
12:34 20 technologies are trying to solve.

21 But with the mining process, you also have  
22 incentivization for running the network, which is the  
23 block reward, but related to that is also distribution  
24 of the asset to do get that out, right? So you --  
12:34 25 because many people are participating in mining or

12:34 1 liquidating -- the block reward to pay for electricity,  
2 you solve double-spend, you solve incentivization, and  
3 you solve distribution.

4 XRP consensus works very differently. So there's  
12:34 5 no -- like it use validators who are looking at proposed  
6 transactions to the XRP, or proposal orders or  
7 transactions to the XRP Ledger. As opposed to having  
8 some sort of, like, rotating dictator who unlocks a  
9 block, validators, in general, all contribute to XRP  
12:35 10 consensus by -- you're looking at the validators who  
11 are -- you know, you're looking at essentially a super  
12 majority of these votes to say this is a good  
13 transaction to include it in yours, right?

14 However, there's no block reward and there's no --  
12:35 15 there's no block reward and also no resulting  
16 distribution of that asset.

17 Q. So as you understood the GDAX framework and  
18 as you understood the XRP validation process, did you  
19 think XRP was a good fit or maybe not a good fit with  
12:35 20 this framework?

21 A. From the GDAX framework -- you know,  
22 mechanisms to incentivize validators and mechanisms that  
23 deter bad behavior -- my understanding of the XRP  
24 consensus, it did not appear that they were incentives  
12:36 25 to be a good actor or, at least monetary incentives to

12:36 1 be a good actor or a bad actor.

2 What I'm saying is a bad actor is penalized by  
3 being removed by just being ignored.

4 Q. Okay. Let's go to the last section, the  
12:36 5 "Market Demand" under "5.1, Demands." What's your  
6 comment here?

7 A. "Market Demand," under --

8 So the GDAX criteria starts as "Developers and  
9 Contributors: Growing developer based -- base and  
12:36 10 measured progress as defined by the number of  
11 repositories, commits, and contributors."

12 My comment is "Perhaps not relevant, but I don't  
13 have a measure of the external developer base outside of  
14 Ripple. It surely does not compare to either Bitcoin or  
12:37 15 Ethereum."

16 Q. You're saying Ripple's developer base is  
17 smaller than Bitcoin and Ether, or are we making some  
18 other characterization?

19 A. I'm saying XRP's developer base has a --  
12:37 20 XRP's developer base outside of Ripple appears to be  
21 smaller than that, than -- than the developer base of  
22 Bitcoin or Ethereum.

23 Q. Or Ethereum?

24 A. (Nodding).

12:37 25 Q. Okay. You can put this aside.



12:37 1 (Thereupon, an informal discussion was  
2 held off the record.)

3 MR. HECKER: The witness is inquiring  
4 about lunch.

12:37 5 MR. MOYE: Well --

6 MR. HECKER: Is now a good time to take a  
7 lunch break?

8 MR. MOYE: Now would be fine.

9 MR. HECKER: Great.

12:37 10 THE VIDEOGRAPHER: This will conclude  
11 Video No. 2 in the deposition of  
12 Dinuka Samarasinghe. We are off the record at  
13 12:37 p.m., June 9th, 2021.

14 (Recess taken at 12:37 p.m.)

15 (Resumed at 1:36 p.m.)

16 THE VIDEOGRAPHER: This is the beginning  
17 of Video No. 3 in the deposition of  
18 Dinuka Samarasinghe.

19 We are on the record at 1:36 p.m.,

01:36 20 June 9th, 2021.

21 BY MR. MOYE:

22 Q. Mr. Samarasinghe, before our lunch break, I  
23 asked you a number of questions about XRP and the GDAX  
24 framework e-mail that we were reviewing.

01:36 25 Do you remember those?

01:36 1 A. Yes, sir.

2 Q. Can you tell me whether since you wrote that  
3 e-mail --

4 Since September 28th of 2017, whether any of the  
01:36 5 views that you expressed in that e-mail have changed  
6 about how XRP compares to the GDAX framework?

7 MR. HECKER: Objection to form,  
8 foundation.

9 BY MR. MOYE:

01:36 10 Q. If it's helpful to go through it one by one,  
11 we can do that.

12 MR. HECKER: Same objection.

13 BY MR. MOYE:

14 Q. So let's break it down.

01:36 15 A. But yes, my opinions did change, at least on  
16 certain -- certain of these topics.

17 Q. Let's go through them one by one. As far as  
18 your first comment about decentralization --

19 A. Yes.

01:37 20 Q. -- trust, has your opinion changed on that?

21 A. The XRP Ledger became increasingly central --  
22 decentralized in that Ripple control validators --  
23 Ripple sponsor -- were reduced.

24 So I recall there was a time where Ripple only  
01:37 25 controlled one or two validators on the entire Unique

01:37 1 Node List.

2 Q. How about your second comment about economic  
3 incentives, has that opinion changed?

4 (Pause.)

01:37 5 THE WITNESS: Out of 100 billion XRP that  
6 were created at the Genesis block, Ripple  
7 continues to hold over 50 percent of the XRP,  
8 that second one did not change.

9 BY MR. MOYE:

01:38 10 Q. Okay. How about your third comment about  
11 centralization?

12 A. It changed a little bit. There were -- I --  
13 I'm not -- was not part of the spring team or -- but  
14 there were other teams working on other use cases for  
01:38 15 XRP.

16 Q. How about the next comment about peer review?  
17 Has anything changed about your view then?

18 A. I -- I still can't speak to whether or not it  
19 has a well-documented peer review or not.

01:38 20 Q. How about your next comment about economic  
21 incentives for validation?

22 A. I don't believe that one has changed.

23 Q. Okay, and how about your final comment about  
24 external developer base?

01:39 25 A. I don't have a view on that one.

01:39 1 Q. You don't have a view whether it's changed or  
2 you don't have a view at all?

3 A. Either. I don't -- I don't really know what  
4 the developer base is for XRP.

01:39 5 (Thereupon, one-page e-mail chain with top  
6 e-mail dated 12/13/17, from [REDACTED] to  
7 Miguel Vias et al. was introduced as DS Exhibit  
8 8 for identification.)

9 BY MR. MOYE:

01:39 10 Q. Okay. Let's look at DS Exhibit 8.  
11 Please take a moment and review what's been  
12 marked -- marked as DS Exhibit 8.

13 Let me know when you're done.

14 A. I'm done. I'm ready.

01:40 15 Q. Okay. DS Exhibit 8 is a copy of an e-mail  
16 from [REDACTED] at [REDACTED], dated  
17 December 13, 2017, to Miguel Vias, [REDACTED] --  
18 did I pronounce that right?

19 A. Yes.

01:40 20 Q. -- and yourself at Ripple, "Subject: Please  
21 turn selling back on."

22 Are you familiar with this exhibit -- with this  
23 document, I should say?

24 A. I haven't seen it before. I have no reason  
01:40 25 to believe there's anything inaccurate about it.

01:40 1 Q. Okay. So --

2 MS. ZORNBERG: Mr. Samarasinghe, could  
3 you try to keep your voice up?

4 THE WITNESS: Sorry. I will do my best.

01:40 5 (Thereupon, an informal discussion was  
6 held off the record.)

7 BY MR. MOYE:

8 Q. So [REDACTED] is responding to an e-mail  
9 from Mr. Vias earlier in the day on which you are  
01:41 10 copied. Do you see that?

11 And the subject is "Please turn selling back on"?

12 A. Yes.

13 Q. It looks like he says, "Plus or adding  
14 Dinuka"?

01:41 15 (Thereupon, an informal discussion was  
16 held off the record.)

17 THE WITNESS: Uh-huh, yes.

18 MR. HECKER: I'm sorry. Objection to the  
19 foundation.

01:41 20 I'm not sure what e-mail you think he's  
21 on. He's on the second one, not the first  
22 one, right?

23 MR. MOYE: Well, he's on the top and he's  
24 also on the second.

01:41 25 MR. HECKER: On the bottom --

01:41 1 MR. MOYE: He's not on the oldest.

2 You're correct.

3 MR. HECKER: Okay. Sorry.

4 BY MR. MOYE:

01:41 5 Q. Okay. But the bottom e-mail -- the one that  
6 you're not on -- actually, Mr. Vias writes:

7 "Guys, can we please turn the bots back on at the  
8 same percentages as before? Let me know when that's  
9 done. Thanks."

01:41 10 Do you understand the purpose of these e-mail  
11 instructions from Mr. Vias?

12 A. Yes.

13 Q. What's the purpose, as best as you  
14 understand?

01:42 15 A. It appears that the [REDACTED] XRP  
16 programmatic liquidators were paused or halted, and  
17 Miguel has instructed them to be turned back on.

18 Q. And do you know what reason it might be to  
19 turn those -- turn those things back on -- I'm sorry.

01:42 20 Do you know why they would have been paused or stopped?

21 MS. ZORNBERG: Object to form.

22 BY MR. MOYE:

23 Q. Based on your time at a Ripple and  
24 [REDACTED], were there times when Ripple asked

01:42 25 [REDACTED] to stop selling or exchanging XRP?

01:42 1 A. Yes.

2 Q. Based on your experience, why -- why did that  
3 occur?

4 A. It's possible that the quarterly sales target  
01:43 5 for XRP liquidations had been reached at this point.

6 Q. Any other reasons you can think of, assuming  
7 that that was the case?

8 MR. HECKER: Sorry. You're shaking your  
9 head. Do you need to --

01:43 10 THE WITNESS: No.

11 MR. HECKER: Okay.

12 THE WITNESS: None that I can recall.

13 BY MR. MOYE:

14 Q. Okay, and assuming for the purposes of this  
01:43 15 question, then, that that's the reason that this e-mail  
16 was sent, if quarterly sales targets were reached, why  
17 would Ripple want [REDACTED] to stop trading in XRP?

18 MR. HECKER: Objection to form,  
19 foundation.

01:43 20 BY MR. MOYE:

21 Q. You can answer.

22 A. Why would Ripple want [REDACTED] to stop  
23 trading?

24 Q. Yes.

01:43 25 A. In case they did not want to in- -- increase

01:43 1 XRP supply that was in the market.

2 Q. And do you have any understanding of why  
3 Ripple would desire to limit or not to increase the  
4 amount of XRP in the market?

01:44 5 A. Either to reduce selling pressure, reduce XRP  
6 inflation.

7 Q. Anything else you can think of?

8 A. No.

9 Q. Okay. While you were at [REDACTED], can you  
01:44 10 recall this sort of thing happening from time to time?

11 MS. ZORNBERG: Objection, form.

12 THE WITNESS: While I was at [REDACTED],  
13 I don't recall that XRP programmatic  
14 liquidations were something that we did.

01:44 15 BY MR. MOYE:

16 Q. Okay. Do you recall more than --

17 Do you recall this occurring on more than one  
18 occasion while you were at a Ripple, where Ripple would  
19 reach out to market makers and say, "Please stop  
01:44 20 selling"?

21 A. I do recall reaching out to market makers to  
22 ask them to stop liquidating. I can't -- I don't recall  
23 how many times that occurred.

24 Q. Okay, and just to clarify, is it your  
01:45 25 recollection Ripple would reach out to more market



01:45 1 makers than just [REDACTED]? It would be a larger  
2 group?

3 A. Yes. In my experience, instructions to one  
4 market maker were typically reflected to the suite of  
01:45 5 market makers that were conducting programmatic  
6 liquidations.

7 Q. And was it your understanding that these  
8 instructions were perceived as beneficial to Ripple in  
9 some way, the company?

01:45 10 MS. ZORNBERG: Objection.

11 THE WITNESS: I'm sorry. The  
12 instructions were beneficial?

13 BY MR. MOYE:

14 Q. Yes, the instructions to stop selling for a  
01:45 15 period of time, did you understand that those  
16 instructions had some benefit or value to Ripple as a  
17 company?

18 MS. ZORNBERG: Objection.

19 MR. HECKER: Objection to the form of the  
01:45 20 question.

21 BY MR. MOYE:

22 Q. You can answer.

23 A. Were they perceived by the -- I'm not sure if  
24 I understand your question. If you could rephrase?

01:46 25 Q. Yeah. The question is:

01:46 1           Was it your impression or understanding that these  
2 instructions from Ripple, the market makers, to stop  
3 selling for some period of time had some value or  
4 benefit to Ripple as a company?

01:46 5           And have other questions after this one.

6                   MR. HECKER: Objection to the form.

7                   (Pause.)

8                   THE WITNESS: I believe so.

9 BY MR. MOYE:

01:46 10          Q.       Okay. Was it your impression that these  
11 instructions had some benefit or value to holders of XRP  
12 as well?

13                   MR. HECKER: Same objection.

14                   THE WITNESS: I -- I'm not sure about  
01:46 15          that one.

16                   (Thereupon, a one-page e-mail dated  
17 12/16/17, from Miguel Vias to [REDACTED],  
18 Subject: Stop Selling" was introduced as DS  
19 Exhibit 9 for identification.)

01:46 20 BY MR. MOYE:

21          Q.       Okay. Let's look at DS Exhibit 9. Please  
22 take a moment and review what's been marked as  
23 DS Exhibit 9.

24          Okay. Can you tell me what DS Exhibit 9 is?

01:47 25          A.       DS Exhibit 9 appears to be an e-mail from

01:47 1 Miguel Vias to [REDACTED]. I am cc'd as  
2 a -- as an employee of Ripple. The subject says "Stop  
3 Selling."

4 Q. And what's the reason given that Mr. Vias  
01:47 5 gives at this time for [REDACTED] to stop selling?

6 A. Miguel Vias instructs [REDACTED] to stop  
7 selling. It says "Please turn all bottoms off." He  
8 continues to say, "Just got word we are done selling for  
9 the year. Also, please confirm when that's done.  
01:48 10 Thanks, gents."

11 Q. Okay. Now, did you understand from the  
12 context and from this e-mail, that it was an instruction  
13 to stop selling XRP?

14 A. That's correct.

01:48 15 Q. Because that's what -- that's what [REDACTED]  
16 dealt with, correct?

17 A. Correct.

18 Q. All right. Now, can you look at DS Exhibit 8  
19 and DS Exhibit 9 side by side? Can you help me  
01:48 20 understand why, first looking at DS Exhibit 8, Ripple  
21 might have told them to start selling again on December  
22 13th, presumably after a pause, and then stop selling  
23 three days later on December 16th?

24 (Pause.)

01:49 25 THE WITNESS: I don't recall.

01:49 1 BY MR. MOYE:

2 Q. Okay. Whether or not you can recall this  
3 particular incident --

4 A. Uh-huh.

01:49 5 Q. -- do you think there were other events when  
6 you were at Ripple where market makers were told to stop  
7 then restart, then stop selling again, in a relatively  
8 short period of time?

9 A. I don't believe that happened other times in  
01:49 10 my history at Ripple.

11 Q. Okay. Just from looking at DS Exhibit 9 and  
12 the phrase "Just got the word we're done selling for the  
13 year," did you have any understanding about why Ripple  
14 would want to stop selling XRP within a particular  
01:49 15 calendar year and for what reason?

16 A. I think, again, this probably points to  
17 hitting the target for the yearly sales goal of XRP.

18 Q. And do you know who set those yearly targets  
19 or goals?

01:50 20 A. Historically, it was -- my understanding is  
21 that it was decided amongst the leadership team with  
22 input from the CFO and the CEO.

23 Q. Okay, and just to clarify, was your unit an  
24 essential part of reaching these goals or just one of  
01:50 25 many components within --

01:50 1 A. The markets team --  
2 MS. ZORNBERG: Objection to form.  
3 MR. HECKER: Yep, I join in the objection  
4 and foundation.  
01:50 5 MR. MOYE: Let me rephrase.  
6 BY MR. MOYE:  
7 Q. How important was your group to helping  
8 achieve those goals?  
9 A. The markets team was -- managed the  
01:50 10 relationship, managed -- managed the relationships with  
11 the programmatic market makers for the programmatic  
12 liquidation.  
13 Q. And do you believe these goals were to sell  
14 XRP through the market makers only or were there other  
01:51 15 methods that Ripple was selling XRP to the market?  
16 MS. ZORNBERG: Objection to form.  
17 BY MR. MOYE:  
18 Q. You can answer.  
19 A. Ripple also sold XRP not -- not just from  
01:51 20 programmatic liquidations, but also from OTC trades.  
21 Q. Okay. Any other methods used while you were  
22 at Ripple for Ripple to sell XRP?  
23 A. The markets team was primarily responsible  
24 for programmatic liquidation and then OTC sales to OTC  
01:51 25 brokers. I am aware of sales to entities like

01:51 1 [REDACTED] and [REDACTED] -- as well as [REDACTED].

2 Q. Did those go through your team or through  
3 another channel?

4 A. We -- the markets team helped coordinate  
01:52 5 those -- those sales, but I'm not aware that the markets  
6 team had anything to do with the initial deals.

7 Q. Were those deals considered either  
8 programmatic or OTC sales?

9 A. Considered by whom?

01:52 10 Q. By Ripple.

11 A. In the quarterly reports, sales to  
12 [REDACTED] and [REDACTED] were included in sales of  
13 reported sales numbers.

14 Q. Under which category? Under programmatic?

01:52 15 A. They were not -- they were not included in  
16 programmatic.

17 Q. Okay.

18 A. They were included institutional sales.

19 Q. Institutional?

01:52 20 So they were neither programmatic or OTC; is that  
21 right? They were a separate kind of sale?

22 MS. ZORNBERG: Objection.

23 (Thereupon, an informal discussion was  
24 held off the record.)

01:53 25 THE WITNESS: I think the markets team

01:53 1 did not consider [REDACTED] or [REDACTED]  
2 necessarily OTC trades.

3 BY MR. MOYE:

4 Q. Okay, and do you include yourself in that,  
01:53 5 you personally wouldn't mentally have categorized  
6 [REDACTED], [REDACTED] as OTC sales?

7 A. That's correct.

8 (Thereupon, two-page e-mail dated  
9 12/28/17, from [REDACTED] to  
01:53 10 [REDACTED]@ripple.com et al., Bates Nos.  
11 [REDACTED] 0039962 through [REDACTED] 0039963, was  
12 introduced as DS Exhibit 18 for identification.)

13 BY MR. MOYE:

14 Q. Okay, DS Exhibit 18. We're going to look at  
01:53 15 DS Exhibit 18.

16 MR. HECKER: One-eight?

17 MR. MOYE: One-eight.

18 (Pause.)

19 BY MR. MOYE:

01:54 20 Q. So Mr. Samarasinghe, please take a moment and  
21 look over what's been marked as DS Exhibit 18. I'm  
22 going to ask you a couple of questions about the first  
23 paragraph, and then a couple of questions about the  
24 fourth news item down.

01:55 25 Have you had a chance to look it over?

01:55 1 A. I have.

2 Q. Okay, DS Exhibit 18, for the record, is an  
3 e-mail from [REDACTED], [REDACTED] at  
4 [REDACTED].com, sent December 28, 2017. Subject is  
01:55 5 "Ripple Media Tracking." And I see your e-mail at the  
6 bottom of a long list of other individuals at Ripple.

7 A. Yeah.

8 Q. Do you know who [REDACTED] is?

9 A. Vaguely.

01:55 10 Q. With that caveat, who do you understand [REDACTED]  
11 [REDACTED] to be?

12 A. So I think I recall being on a distribution  
13 list where they showed us news headlines over the course  
14 of the day, the course of some period of time that may  
01:55 15 be relevant to Ripple or XRP.

16 Q. Okay, did you have --

17 Did you believe they were retained in some capacity  
18 as media relations or public relations?

19 A. That's -- that's my understanding.

01:56 20 Q. Okay, you couldn't be more specific about  
21 what they had been retained to do?

22 A. No idea.

23 Q. All right. Did you receive media tracking  
24 e-mails from [REDACTED] or other people regularly or was this  
01:56 25 rarely?



01:56 1 A. Regularly.

2 Q. Regularly? Okay.

3 And without pinning you down to any particular  
4 communication, what would these regular e-mails

01:56 5 typically include?

6 A. My recollection is they were a compilation of  
7 the week's headlines and reputable news sources that  
8 involved XRP, interesting things about the digital asset  
9 markets or Ripple in general.

01:56 10 Q. Okay, so the first paragraph, the final  
11 sentence talks about CNBC. It says "CNBC and others  
12 report on the XRP price spike following the [REDACTED]  
13 consortium announcement."

14 Do you see that?

01:57 15 A. Uh-huh.

16 MR. HECKER: Yes, you see that?

17 THE WITNESS: Yes, I see that.

18 BY MR. MOYE:

19 Q. Are you familiar with the [REDACTED] consortium  
01:57 20 announcement?

21 A. I don't recall.

22 Q. Okay, are you familiar with [REDACTED]?

23 A. To some capacity.

24 Q. All right. So let's look down to the fourth  
01:57 25 news item, I'd like you to review that and maybe that

01:57 1 will refresh your recollection in some way.

2 A. Uh-huh.

3 (Pause.)

4 BY MR. MOYE:

01:58 5 Q. Okay, does that help at all, remembering that  
6 there was an [REDACTED] consortium announcement and what it  
7 might have included?

8 (Pause.)

9 THE WITNESS: No.

01:58 10 BY MR. MOYE:

11 Q. Okay, let me try one last -- let me give it  
12 one last try.

13 As you understand Ripple's relationship with [REDACTED] --

14 A. Uh-huh.

01:58 15 Q. -- at some point in 2017, did Ripple announce  
16 a new link to some Japanese credit card companies?

17 A. I don't recall.

18 Q. Okay, do you recall a price spike in XRP  
19 after an announcement about [REDACTED] was made at any time?

01:58 20 A. I remember the price spike in question. I  
21 don't remember that it had anything to do with -- I  
22 don't recall linking it to an [REDACTED] announcement.

23 Q. Okay, so maybe this exhibit helps you, maybe  
24 it doesn't. But do you recall when that price spiked,  
01:59 25 whether it spiked in conjunction with an increase in

01:59 1 Bitcoin, or whether it spiked independent of movement in  
2 Bitcoin?

3 A. The price spike at the end December 2017,  
4 through the beginning of January 2018, appeared  
01:59 5 independent from any move in Bitcoin.

6 Q. And do you recall the price spike being in  
7 the magnitude of about 20 percent?

8 A. The price spike from -- in 2017, from late  
9 December 2017 to January 6th, 2018 was from essentially  
01:59 10 25 cents to \$3.80.

11 Q. So way more than 20 percent?

12 A. Way more than 20 percent.

13 Q. And at that time, during that price spike,  
14 would I be correct that the price of Bitcoin actually  
02:00 15 went lower at some point?

16 A. That is -- that is my recollection.

17 Q. Okay, is there anything else about that price  
18 spike that you can remember from your analysis at this  
19 time? Anything else that you associated it with or  
02:00 20 attributed it to?

21 A. My analysis at this time?

22 Q. At this time.

23 A. At this time, there were rumors that a  
24 Coinbase listing might be -- might be happening,  
02:00 25 including some screenshots that were posted on message

02:00 1 boards ...

2 I believe there was news that a cross-border  
3 payment was sent from Japan to Korea. There may have --  
4 there may be other things in there.

02:00 5 Q. Okay, but that's what you can remember right  
6 now?

7 A. Yeah.

8 Q. Okay, let's look at DS Exhibit 10.

9 (Pause.)

02:01 10 (Thereupon, a three-page e-mail chain with  
11 top e-mail dated 1/31/18, from Dinuka  
12 Samarasinghe to [REDACTED] et al. and attachment  
13 was introduced as DS Exhibit 10 for  
14 identification.)

02:01 15 BY MR. MOYE:

16 Q. All right. Mr. Samarasinghe,  
17 DS Exhibit 10 --

18 (Thereupon, an informal discussion was  
19 held off the record.)

02:01 20 BY MR. MOYE:

21 Q. DS Exhibit 10 appears to be an e-mail from --  
22 the top e-mail appears to be an e-mail from you to  
23 [REDACTED] at [REDACTED].com on  
24 January 31st, 2018. Subject, "XRP."

02:02 25 And the first sentence says "Hi [REDACTED]. I work with

02:02 1 Miguel on the XRP markets Team, and glad to hear you are  
2 interested in an XRP loan."

3 Do you see that?

4 A. Yes.

02:02 5 Q. Okay, do you know who [REDACTED] was?

6 A. He was a trader at [REDACTED].

7 Q. What is [REDACTED]?

8 A. [REDACTED] is also a market maker that  
9 traded in digital assets.

02:02 10 Q. It may be obvious, but can you explain the  
11 purpose of you sending this e-mail to [REDACTED]?

12 A. Yeah. As I mentioned, one of the primary  
13 responsibilities for -- or primary missions of the XRP  
14 markets team was to increase liquidity for XRP.

02:02 15 We decided to move forward, attempting to partner  
16 with market neutral -- essentially high frequency  
17 trading companies to provide two-sided quotes on XRP,  
18 essentially narrowing spreads to facilitate easier  
19 trading.

02:03 20 Digital assets are different than, say, foreign  
21 exchange or equities in that they have to be fully  
22 funded at the time of trading on spot exchanges, T plus  
23 zero, like instantaneous settlement.

24 The challenge a market maker has in making a  
02:03 25 two-sided quote in these digital assets is sourcing

02:03 1 working capital, i.e., holding on to the digital asset  
2 to have an offer out, right?

3 You can imagine that having a large quantity of a  
4 digital asset that is unhedged has a certain amount of  
02:03 5 volatility, you have price risk. Our notion here was we  
6 tried to partner with a -- again, a high frequency  
7 market neutral market participants to produce tight  
8 spreads by providing them with relatively low cost XRP  
9 loans or leases.

02:04 10 Q. Are you aware of other loans being made to  
11 market makers in the digital space that don't involve  
12 XRP?

13 A. Yes.

14 Q. Okay, was this a new program in early 2018 or  
02:04 15 is this something that had been going on for some period  
16 of time?

17 A. I don't know that it was widespread at this  
18 time. I certainly don't believe it was widespread in  
19 XRP, which is why we tried to grow out the lending book  
02:04 20 for XRP.

21 Q. Can you give me some idea of how often Ripple  
22 made loans of this type to market makers?

23 A. I would say it's in the orders of five to 10.

24 Q. Five to 10 market makers, or five to continue  
02:05 25 loans?

02:05 1 A. Five to 10 market makers.

2 Q. Okay, and would each market maker get one  
3 loan or could they get more than one loan?

4 A. They could get multiple tranches.

02:05 5 Q. And do you -- can you tell me anything about  
6 the terms of the loan? Let's look at the top of page 2  
7 and see if that helps.

8 (Pause.)

9 BY MR. MOYE:

02:05 10 Q. So before you answer this, this is a  
11 statement by Mr. Vias to [REDACTED], not you, but I  
12 believe you were copied on this e-mail.

13 A. Yep.

14 Q. And Mr. Vias says "We are indeed lending XRP  
02:05 15 for folks to provide liquidity. Currently those monthly  
16 loans in up to [REDACTED]" -- [REDACTED] -- "USD" -- or U.S.  
17 dollars -- "at [REDACTED] percent annual interest rate."

18 Do you see that?

19 A. Yes, sir.

02:06 20 Q. Okay, is that -- is that consistent with your  
21 recollection of the type and/or frequency of loans  
22 available to market makers?

23 A. I don't think they were uniform.

24 I think they were -- the terms of the loans were  
02:06 25 different for various different market makers. I

02:06 1 recall, for example, [REDACTED] having a very small loan  
2 versus [REDACTED] having a much larger loan.

3 Q. That's "[REDACTED]"?

4 A. Yes.

02:06 5 Q. What were the differences in the amounts, do  
6 you think?

7 A. I think [REDACTED] was -- I don't recall  
8 exactly, but, say, \$[REDACTED], versus [REDACTED] was in the  
9 [REDACTED].

02:06 10 Q. [REDACTED]?

11 A. Yes.

12 Q. Okay, so when Mr. Vias says "We're indeed  
13 lending XRP for folks to provide liquidity," he may or  
14 may not have been describing a standard loan package?

02:07 15 A. I don't believe the [REDACTED] at [REDACTED] percent  
16 annual interest rate was uniform.

17 Q. Okay, the purpose of these loans was to  
18 provide market liquidity, correct?

19 A. The purpose of these loans was to increase  
02:07 20 liquidity.

21 Q. Thank you for that clarification.

22 And were they -- was the loan in -- just to  
23 clarify, was the loan actually in U.S. dollars or was  
24 the loan in U.S. dollar equivalent of XRP?

02:07 25 A. The loan was in units of XRP, though this was



02:07 1 the U.S. dollar notional amount of XRP.

2 Q. So it would be -- in this case, if they  
3 borrowed [REDACTED], it would have been \$ [REDACTED],  
4 worth of XRP units?

02:07 5 A. That is correct.

6 Q. And then how quickly would they have to pay  
7 it back?

8 (Pause.)

9 THE WITNESS: I don't recall there being  
02:08 10 a set term for many of these loans. You know,  
11 some market participants returned portions of  
12 the loans they were not using at any given  
13 time. Some held on to them, so we did not  
14 call back the loans frequently.

02:08 15 BY MR. MOYE:

16 Q. Okay, how did these loans help Ripple as a  
17 company?

18 A. Again, we started the loan program to  
19 increase liquidity for XRP. We would look at these --  
02:08 20 we would have communications with the market makers who  
21 had outstanding loans to determine essentially how often  
22 they were turning over the loan size on a given day,  
23 essentially how often they were trading the size of the  
24 loan.

02:09 25 Q. Uh-huh.

02:09 1 A. And the higher the multiple, the more, our  
2 understanding was, that they were actively trading XRP.

3 Q. And do you believe these loans to provide  
4 liquidity in the market also helped holders of XRP?

02:09 5 MR. HECKER: Objection to form,  
6 foundation.

7 BY MR. MOYE:

8 Q. You can answer.

9 A. By providing tighter bid ask spreads in  
02:09 10 general, I believe that it made it easier for market  
11 participants to enter or exit an XRP position.

12 Q. Thank you.

13 And to follow up on some of our earlier comments, a  
14 tighter spread and easier entry point might have aided  
02:09 15 speculative traders; is that correct?

16 MR. HECKER: Objection to form.

17 MS. ZORNBERG: Objection.

18 BY MR. MOYE:

19 Q. You can answer.

02:09 20 A. It would have reduced costs for them to enter  
21 and exit a similar size XRP position relative to a time  
22 there weren't market participants -- or market makers  
23 with loans.

24 Q. Okay, anything else that you can recall about  
02:10 25 this lending program that we haven't already discussed?

02:10 1 A. Nothing, off the top of my head.

2 Q. Okay, you can put that aside. Let's look at  
3 DS Exhibit 11.

4 (An informal discussion was held off the  
02:10 5 record.)

6 (Thereupon, a three-page e-mail chain with  
7 top e-mail dated 3/22/18, from Dinuka  
8 Samarasinghe to [REDACTED] et al. was  
9 introduced as DS Exhibit 11 for identification.)

02:10 10 BY MR. MOYE:

11 Q. Okay, so for your reference on DS Exhibit 11,  
12 I would like you to review the top e-mail from you, and  
13 then the e-mail that begins at the bottom of page 1 and  
14 goes over to the top of page 2.

02:11 15 Of course, you're free to look at other parts of  
16 the e-mail as well.

17 A. Okay.

18 Q. Okay, so DS Exhibit 11, Mr. Samarasinghe, is  
19 a set of e-mails, with the top e-mail being one that you  
02:11 20 sent to [REDACTED] at [REDACTED] on  
21 March 22nd, 2018. Subject "Program expansion."

22 Do you see that?

23 A. Yes, sir.

24 Q. Okay, I would like to direct your attention  
02:12 25 to the bottom of the first page and the top of the

02:12 1 second, which appears to be an e-mail that you sent to  
2 [REDACTED] earlier that same day at 1:31 p.m.

3 Let me know when you're there.

4 A. Ready.

02:12 5 Q. Okay, can you tell me in your own words -- or  
6 can you summarize what the purpose of that communication  
7 was? What are you telling [REDACTED]?

8 A. XRP programmatic sales -- well, let's take a  
9 step back.

02:12 10 There are a large number of digital asset exchanges  
11 globally. Market makers that we were connected to -- so  
12 there's a large number of digital asset exchanges in the  
13 world. That number increases. Volumes that occur on  
14 these digital asset exchanges can shift from a set of  
02:13 15 exchanges to a different set of exchanges based on any  
16 number of criteria.

17 To minimize market impact on a small set of  
18 exchanges where Ripple programmatic sales occurred, we  
19 wanted to have as wide a breadth as possible of  
02:13 20 exchanges for our programmatic liquidators to sell off.

21 Beyond that, we wanted to have redundancy. So in  
22 case one market maker fell out of our program or was  
23 unable to trade for some given period of time, we would  
24 still have a market maker available on a given exchange.

02:13 25 Q. Do you use the term "redundancy" just to mean

02:13 1 additional capacity, or does it have some other meaning  
2 as well?

3 A. Redundancy, meaning if one stopped being able  
4 to execute on that exchange, there would be essentially  
02:14 5 another one capable of executing.

6 Q. Okay, so when your e-mail is entitled  
7 "Program expansion," is that the expansion program you  
8 were describing you want more market makers involved --  
9 or more exchanges involved?

02:14 10 A. In this case, this is [REDACTED] approaching  
11 us to see if we could use them to programmatically  
12 liquidate on a large number of exchanges.

13 Q. So when you say "our goal is to have  
14 redundant XRP sales presence basically on every major  
02:14 15 exchange that sells XRP," what's the benefit to holders  
16 of XRP, if any, to having additional exchanges  
17 available?

18 MS. ZORNBERG: Objection to form. You  
19 can answer.

02:15 20 THE WITNESS: Could you rephrase your  
21 question, please?

22 BY MR. MOYE:

23 Q. Yes.

24 Does having XRP available for purchase and sale on  
02:15 25 additional exchanges benefit holders of XRP?

02:15 1 MS. ZORNBERG: Objection to form.

2 THE WITNESS: A new exchange that lists  
3 XRP may benefit XRP speculators in that it  
4 could possibly provide a new avenue for  
02:15 5 demands for XRP or liquidity for XRP.

6 BY MR. MOYE:

7 Q. Okay, so directing your attention to the top  
8 e-mail, it appears that [REDACTED] told you the  
9 number of exchanges that [REDACTED] currently dealt with  
02:15 10 and they were adding some; is that right?

11 A. Yes.

12 Q. And then what's your comment to him?

13 A. That of the exchanges they were in the  
14 process of adding, we would prioritize getting them --  
02:16 15 running their programmatic liquidators on Huobi, OKEx  
16 and CEX.IO.

17 Q. Can you help me understand why you wanted  
18 them to prioritize certain exchanges?

19 A. It could -- I don't remember exactly at this  
02:16 20 time. However, the reasons could have been these were  
21 new exchanges that we did not have redundancy on; i.e.,  
22 our other programmatic liquidators did not have sales  
23 presence on, or perhaps we were seeing high volumes on  
24 these exchanges -- well, this -- this goes back to  
02:16 25 redundancy. We wanted to have a sales presence on

173

02:16 1 exchanges that were reporting high volume.

2 Q. And for purposes of this program expansion,  
3 were you only talking about programmatic sales or were  
4 you talking about other sales of XRP, including OTC  
02:17 5 sales?

6 A. This is entirely programmatic sales.

7 Q. Okay, let's go to DS Exhibit 12.

8 (Pause.)

9 (Thereupon, a thirteen-page e-mail chain  
02:17 10 dated 4/12/18, from [REDACTED] to Dinuka  
11 Samarasinghe, Bates Nos. RPLI\_SEC 0198978  
12 through RPLI\_SEC 0198990 was introduced as DS  
13 Exhibit 12 for identification.)

14 BY MR. MOYE:

02:17 15 Q. Okay, please take a moment and review the  
16 first page of DS Exhibit 12. I apologize for the  
17 quality of the copy. It's small and it's not perfect.  
18 If it's helpful, you can also look up on the big screen.

19 For the purpose of the record, DS Exhibit 12 is a  
02:18 20 copy of an e-mail from [REDACTED] sent on April 12,  
21 2018 to yourself at Ripple, and the subject is "Q1 2018  
22 Quarterly markets Report." It's a multi-page document,  
23 there's a number of comments and entries for other  
24 individuals --

02:18 25 A. Uh-huh.

02:18 1 Q. -- but the ones I want to ask you about are  
2 your comments on the first page.

3 A. Okay.

4 Q. Mr. Samarasinghe, who is [REDACTED]?

02:18 5 A. [REDACTED] was an employee at Ripple. He  
6 helped with communications. I don't recall -- I don't  
7 recall his exact title.

8 Q. Okay, what is or was a quarterly markets  
9 report?

02:19 10 A. Ripple began publishing, before the start of  
11 my employment at Ripple, quarterly market reports on the  
12 quarterly XRP markets which the initial aim was to give  
13 transparency about how Ripple thought about XRP and a  
14 the XRP market, and perhaps even more broadly, the  
02:19 15 digital asset markets.

16 Q. Was it just Ripple thoughts or would it also  
17 include data, like transactions an volume and price and  
18 things like that?

19 A. It typically included the amount of XRP that  
02:19 20 was sold by Ripple, progress on -- you know, it would  
21 include correlation numbers, volatility numbers, things  
22 that -- you know, quantitative measures we may have  
23 thought were interesting -- that we may have thought  
24 were interesting.

02:19 25 Q. Okay, and did you review these reports while



02:20 1 you were still at [REDACTED] and dealing with Ripple?

2 A. I don't recall.

3 Q. Okay, so focusing just on your time at  
4 Ripple, what was your role in reviewing or preparing or  
02:20 5 assisting with the quarterly markets reports?

6 A. Relatively early in my career at Ripple, I  
7 began drafting the quarterly markets reports, writing  
8 the first -- maybe first couple of drafts before it went  
9 to -- through any number of additional commenters and  
02:20 10 contributors.

11 Q. How long did that continue?

12 A. Over time, my contribution to the markets  
13 report diminished. I stopped writing the initial  
14 drafts.

02:20 15 Toward the end, I was perhaps just making comments  
16 and suggestions, and maybe just providing a minimal  
17 amount of data analysis.

18 Q. In March and April of 2018, what would your  
19 role have been in creating or reviewing the quarterly  
02:21 20 markets report?

21 A. Most likely writing the first -- first couple  
22 of drafts --

23 Q. Okay.

24 A. -- of at least a few sections.

02:21 25 Q. And did you review and provide comments on

02:21 1 the other sections or were you mostly focused on the  
2 other sections?

3 A. I did read the entire report and comment  
4 broadly.

02:21 5 Q. As of April 2018, who would be reviewing and  
6 either approving or editing your draft?

7 A. It went through many levels of review.  
8 Initially, probably -- most likely Miguel Vias, and  
9 typically the Comms team before going to morph  
02:21 10 leadership, general counsel, and then final pass by the  
11 CEO.

12 Q. Okay, with that backgrounds, let's look at  
13 what's been -- what appears on this appears to be a  
14 comment by Dinuka Samarasinghe, and I'm going to look at  
02:22 15 the first comment. And, again, you can look at it -- if  
16 your eyes are good, you can look at it on the paper or  
17 up on the screen.

18 What is it you're saying? Can you summarize what  
19 you're saying in the first comment --

02:22 20 A. Yes.

21 Q. -- on this document?

22 A. Coinbase rumors. So this -- I think you can  
23 see this comment chain happened roughly in April of  
24 2018.

02:22 25 Q. Yes.

02:22 1 A. This is a look back on the Q1 markets report.  
2 Included in the Q1 markets report was -- you know, was  
3 the run up towards the ends of 2017, including early  
4 2018, up to the three-plus dollars of XRP price on  
02:22 5 January 6th.

6 I think I mentioned before included in this runup  
7 were -- you know, market speculation and screenshots on  
8 digital asset trading and news logs and -- that Coinbase  
9 would list XRP.

02:23 10 I believe I had initially included Coinbase in  
11 the -- one of the early drafts of the markets report as  
12 what appeared to be going on in the market at the time,  
13 according to people commenting in -- you know, in  
14 Message boards or -- or like digital asset news  
02:23 15 websites.

16 Q. Did you include that as a factor, in your  
17 view, in the total price increase?

18 A. I didn't include it as a factor. I included  
19 it as a rumor that was going on during --

02:23 20 Q. Okay.

21 A. -- the price rise.

22 Q. Okay, let's just focus on the first comment  
23 here, and you can help me understand. You say "While  
24 this isn't a great for a number of reasons (brings up  
02:24 25 the pay-to-play discussion, brings up concerns that XRP

02:24 1 is a security), it was certainly a big factor in what  
2 people attributed the price rise."

3 So you say that sentence refers to Coinbase?

4 A. Yes.

02:24 5 Q. Okay, so --

6 A. The Coinbase rumors.

7 Q. The Coinbase rumors? Thanks.

8 What did you mean by the "pay-to-play discussions"?

9 A. So ultimately, in April of 2018, Coinbase did  
02:24 10 not -- despite the rumors in the screenshots and  
11 discussions, did not actually list XRP at this point.

12 So at this point, XRP had come off from a very high  
13 price. And just like there were rumors on the way up,  
14 there was speculation on the way down what happened,  
02:25 15 right?

16 Q. Where was that speculation manifested?

17 A. Again, you know, message boards, you know,  
18 digital asset news websites. And given there were  
19 rumors on the way up that Coinbase would list it and  
02:25 20 Coinbase did not list, there was speculation as to why  
21 Coinbase did not list XRP.

22 Q. And did that speculation involve pay-to-play?

23 A. According to some messages.

24 Q. What did you mean when you use the phrase  
02:25 25 here "by brings up pay-to-play discussions"?

02:25 1 A. If I recall correctly, it is, you know,  
2 message boards indicating maybe Ripple did not pay or  
3 did not pay enough or did not offer to pay enough, or in  
4 the case of concerns that XRP is a security, would be  
02:25 5 concerns that maybe Coinbase believed or had an opinion  
6 that XRP was a security.

7 Q. Okay, and when you say "It was certainly a  
8 big factor to what people attributed the price rise,"  
9 what part of what you said before is attributable to  
02:26 10 that comment?

11 MS. ZORNBERG: Objection to form.

12 MR. MOYE: I will try this again.

13 THE WITNESS: Yeah.

14 BY MR. MOYE:

02:26 15 Q. What did you mean when you say "It was  
16 certainly a big factor in what people attributed the  
17 price rise"?

18 A. The price rise -- Coinbase rumors -- a  
19 listing on Coinbase -- the -- sorry. I'm not being  
02:26 20 clear.

21 The rumors that XRP would be listed on Coinbase  
22 were a factor that market speculators attributed the  
23 price rise of XRP.

24 Q. Okay, was this the first time you had heard  
02:26 25 rumors among people that followed XRP about pay-to-play

02:26 1 discussions?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: I don't recall it happening  
4 before.

02:27 5 BY MR. MOYE:

6 Q. Was this the first time you had heard rumors  
7 among people that followed XRP that XRP might be viewed  
8 as a security?

9 A. Yes. I don't think it -- I don't think it  
02:27 10 had even entered my consciousness up until that point.

11 Q. Okay, let's look at the second comment down.

12 A. Uh-huh.

13 Q. Why don't you summarize, first, what you're  
14 trying to communicate in this comment, and then I will  
02:27 15 ask you about different parts of it.

16 (Pause.)

17 THE WITNESS: Do you have the tweet?

18 BY MR. MOYE:

19 Q. Unfortunately, all I have is this.

02:27 20 Can you -- can you tell me in general what your  
21 comment is about?

22 A. I do not recall what the tweet is here. It  
23 appears to be some sort of tweet where I notice that --  
24 you know, XRP -- after -- or -- or right around the time  
02:28 25 or at least it coincided with the time where XRP price

02:28 1 had been at its all-time high.

2 Q. Okay, was this a tweet by you, do you think?

3 A. No.

4 Q. Okay, was this a tweet by someone else in  
02:28 5 Ripple?

6 MS. ZORNBERG: Objection.

7 THE WITNESS: I don't know.

8 BY MR. MOYE:

9 Q. Okay, let's see if this second sentence helps  
02:29 10 us figure it out at all. You said just prior to this  
11 tweet XRP had been at its all-time high, and this tweet  
12 represented, without any exaggeration, the very  
13 beginning of XRP's retracement in value.

14 Do you recall there being a tweet that was sort of  
02:29 15 at a high point and -- and was at the beginning of -- of  
16 a decline in value?

17 A. I don't recall.

18 Q. Okay. Who is Coinmarketcap?

19 A. Coinmarketcap is a website.

02:29 20 Q. And what are you referring to here?

21 A. So Coinmarketcap has --

22 It's a website that gives market data snap --  
23 essentially real-time market data of a large number of  
24 digital assets.

02:30 25 Q. Okay. Did you --

02:30 1 At this time, did you have any view or opinion  
2 about the cause of the decline in value of XRP or  
3 decline in price of XRP?

4 MS. ZORNBERG: Objection to form.

02:30 5 MR. HECKER: Objection.

6 MR. MOYE: Only one of you has to do it.

7 THE WITNESS: I mean, how do you -- can  
8 you -- I'm not sure if I understand the  
9 question.

02:30 10 BY MR. MOYE:

11 Q. Yeah. When you were preparing the XRP  
12 markets report --

13 A. Yes.

14 Q. -- at this point in time, and you noted there  
02:30 15 was a decline in value and it appeared that you even  
16 wanted to comment in some way or fashion about the  
17 Coinbase listing, did you have an opinion at the time  
18 about why XRP was declining in price?

19 A. No.

02:30 20 Q. Since then, have you had any views or  
21 opinions about reasons why XRP might have been declining  
22 in price at this time?

23 A. I find it hard to remember what I was  
24 thinking in April of 2018.

02:31 25 Q. So I know it's hard, but that's a "no," a



02:31 1 "hard no," you can't remember?

2 A. I don't remember what I was thinking in 2018.

3 Q. All right. Let's put aside DS Exhibit 12.

4 (Pause.)

02:31 5 (Thereupon, a two-page e-mail chain with  
6 the top e-mail dated 9/18/18, from [REDACTED]  
7 [REDACTED] to Brad Garlinghouse et al. was introduced  
8 as DS Exhibit 13 for identification.)

9 BY MR. MOYE:

02:31 10 Q. So we're looking at DS Exhibit 13. So the --  
11 for purposes of identification, the top part of  
12 DS Exhibit 13 is an e-mail from [REDACTED] at  
13 Ripple, sent Tuesday, September 18th, 2018, to  
14 Brad Garlinghouse, Dinuka Samarasinghe, Miguel Vias, and  
02:32 15 [REDACTED]. And subject is "Fwd: XRP markets  
16 Update."

17 Do you see that?

18 A. Yes.

19 Q. So I'm interested in asking you about the  
02:32 20 e-mail which you sent, which is just below it, so why  
21 don't you take a minute and look it over?

22 (Pause.)

23 THE WITNESS: Okay.

24 BY MR. MOYE:

02:33 25 Q. Okay, who is [REDACTED]?

02:33 1 A. [REDACTED] was essentially head of  
2 business development and corporate development at Ripple  
3 for a period of time.

4 The markets team also reported to [REDACTED]  
02:33 5 for a period of time.

6 Q. So obviously, there's no report attached, but  
7 from the context of this e-mail, can you tell whether  
8 she's asking about a draft XRP markets report update  
9 that's being prepared, or whether she's asking about one  
02:33 10 that's been issued?

11 A. It appears she forwarded my markets update  
12 along to [REDACTED] and Brad Garlinghouse.

13 I think I mentioned earlier today that I provided,  
14 for a period of time, daily market snapshots, quarterly  
02:34 15 reports, the weekly sales presentations.

16 But on days where there were unusual market -- you  
17 know, unusual XRP performances or general market  
18 performances, I would write an ad hoc markets update.

19 This appears to be an ad hoc markets update, having  
02:34 20 been written on a Tuesday at just afternoon, with the  
21 24-hour return for XRP being 16 percent.

22 Q. Okay, from her question to you, do you think  
23 she is agreeing with you that xRapid news and new  
24 technicals may have contributed to the price rise, or is  
02:34 25 she saying this might be an additional reason?

02:35 1 MR. HECKER: Objection to form.

2 MS. ZORNBERG: Objection to form,  
3 foundation.

4 THE WITNESS: The -- the way I would read  
02:35 5 this is, she's summarizing, giving a too long,  
6 TLDR, to Brad and [REDACTED], as to what I am saying  
7 below.

8 BY MR. MOYE:

9 Q. Okay, maybe I'm mis- --did you say "too long,  
02:35 10 TLDR"?

11 A. TLDR, too long, didn't read.

12 (Thereupon, an informal discussion was  
13 held off the record.)

14 BY MR. MOYE:

02:35 15 Q. Got it. All right. That's fine.

16 All right. Let's do the longer version. Let's  
17 look at what you wrote. Okay?

18 A. Okay.

19 Q. In the first paragraph of text below the  
02:35 20 prices in the return, what are you bringing -- what are  
21 you saying in the first paragraph?

22 A. What I'm pointing out here is XRP's return  
23 over 24 hours is -- is an outlier compared to the  
24 overall digital asset market cap and the rest of the top  
02:36 25 10 digital assets on the -- on the 24 hours.

02:36 1 Q. Okay, the second paragraph where it looks  
2 like you have a comment and attach a link, is that -- is  
3 that what I'm looking at?

4 A. Yes.

02:36 5 Q. Okay, so what's your comment in the second  
6 paragraph?

7 A. Basically, it is unclear what is driving the  
8 surge in XRP price.

9 Q. But you do point out the price jump is  
02:36 10 welcome, right?

11 A. Yes.

12 Q. Welcome to who, in your mind?

13 A. I think in general over a long period of  
14 time, a higher price in XRP does benefit Ripple.

02:36 15 Q. Okay, did it also benefit XRP holders?

16 MS. ZORNBERG: Object to form.

17 THE WITNESS: If they were able to lock  
18 in an increase in price.

19 BY MR. MOYE:

02:37 20 Q. Okay, and did you think -- or as -- when you  
21 were a Ripple employee, was that something that you  
22 think was in your mind from time to time, that this  
23 price movement is good, not only for Ripple, but for XRP  
24 holders, or this is price movement was bad, not only for  
02:37 25 Ripple, but for XRP holders?

02:37 1 MS. ZORNBERG: Objection to form.

2 MR. HECKER: Objection.

3 BY MR. MOYE:

4 Q. You can answer.

02:37 5 A. In my mind, over the long term, an increase  
6 in price would benefit both XRP holders and Ripple.

7 Q. Okay, and would that same -- would the  
8 reverse be true about a long-term decline in the value  
9 of XRP or the price of XRP?

02:37 10 A. That's true.

11 MS. ZORNBERG: Object to form.

12 BY MR. MOYE:

13 Q. Bad for Ripple and bad for holders?

14 A. In my opinion.

02:37 15 Q. Okay, let's go to the third paragraph, which  
16 it looks like it's attaching a link as well. We're  
17 still on the first page.

18 A. Oh, sorry.

19 Q. Third paragraph starts out "Neither are OTC  
02:37 20 buyers."

21 A. Uh-huh.

22 Q. What are you communicating there?

23 A. Part of the -- the markets team at Ripple did  
24 not actively trade XRP, all right? We did not enter buy  
02:38 25 orders or sell orders, so our pulse of the market was

02:38 1 typically secondhand.

2 We would communicate to other market participants  
3 that were, I guess, more in the front lines, as you  
4 would, to get our market intelligence to -- you know,  
02:38 5 whether it was rumors they were hearing, flows they were  
6 seeing, any unusual activity they were seeing on the  
7 exchanges.

8 Q. Are you summarizing what the markets team was  
9 thinking or was this your own analysis that you --

02:38 10 A. In this -- September 18th, 2018, I was -- the  
11 markets team largely consisted of Miguel and me, so ...

12 Q. All right. You weren't forwarding someone  
13 else's views, right?

14 A. No.

02:39 15 Q. Either you believed this yourself or you both  
16 believed it; is that correct?

17 A. Correct.

18 Q. Okay, so for this third short paragraph of  
19 text, you say "OTC buyers and programmatic sellers are  
02:39 20 not seeing anything out of the ordinary," right?

21 A. Correct.

22 Q. And then you also say "The market may be  
23 reacting to a CNBC report claiming Ripple hinted its  
24 cryptocurrency product to go live next month or so."

02:39 25 Do you see that?

02:39 1 A. Yes.

2 Q. Okay, is it fair to say that at the time you  
3 prepared and sent this report, that you believed that  
4 was one possible explanation for the daily increase in  
02:39 5 price?

6 MS. ZORNBERG: I'm going to object to  
7 form.

8 BY MR. MOYE:

9 Q. You can answer.

02:39 10 A. Yes.

11 Q. You wouldn't have said anything in this  
12 report that you didn't believe, would you?

13 A. That's correct.

14 Q. All right. So the next paragraph is a very  
02:39 15 short phrase with a long link to it but it starts out "A  
16 misleading headline."

17 Do you see that?

18 A. Uh-huh.

19 Q. Can you read that?

02:40 20 A. "A misleading headline saying that XRP is Not  
21 a security."

22 Q. Okay, am I correct that you thought this is  
23 another possible reason for the significant increase in  
24 price during this day?

02:40 25 A. A possible reason.

02:40 1 Q. Not necessarily the reason, it was one of  
2 self, but you thought it was a possible reason?

3 MR. HECKER: Objection to form.

4 MS. ZORNBERG: Objection.

02:40 5 (Thereupon, an informal discussion was  
6 held off the record.)

7 MR. MOYE: Let me rephrase that.

8 BY MR. MOYE:

9 Q. At the time you sent this intra-day report,  
02:40 10 did you believe that a misleading headline saying XRP is  
11 not a security is one possible factor in the significant  
12 rise in price?

13 A. I believe so.

14 Q. Okay, can you tell from the link or do you  
02:40 15 remember where the headline appeared that said XRP is  
16 not a security?

17 A. It appears to be cryptoglobe.com.

18 Q. Okay, and what is cryptoglobe.com?

19 A. Probably a less well regarded digital asset  
02:41 20 news website.

21 Q. Okay, now, I know this may tax your memory  
22 and you should just tell me if you disagree, but after  
23 the www.cryptoglobe, there's some numbers, but --  
24 there's some text that says "XRP-is-not a security  
02:41 25 global-crypto regulatory. Narrative is changing.



02:41 1 Ripple executive says."

2 Do you see that?

3 A. Yes.

4 Q. Do you understand that to be either the title  
02:41 5 of the cryptoglobe piece or something that was included  
6 perhaps in the cryptoglobe piece?

7 A. I do not recall.

8 Q. Okay, do you have any reason to think that  
9 the cryptoglobe piece, whose title you said was  
02:42 10 misleading, could have been based on a statement by a  
11 Ripple executive?

12 A. I -- I can't say.

13 Q. But you can't say it didn't happen, right?

14 MR. HECKER: Objection to form. Just to  
02:42 15 clarify, his testimony is he didn't know, so.

16 MR. MOYE: Well, he's got to say it.

17 THE WITNESS: I can't say that it  
18 doesn't -- didn't.

19 MR. MOYE: All right. Fair enough.

02:42 20 BY MR. MOYE:

21 Q. And then let's look at the bottom of that  
22 first page, and that will be it for this document.

23 But at the bottom of the first page, could you read  
24 the text that you put in before the link?

02:42 25 A. "The article does go on to say that Ripple is

02:42 1 engaging the SEC or" -- sorry, parentheses, though "The  
2 article does go on to say that Ripple is engaging the  
3 SEC, or a few days old piece of news that NCB of  
4 Saudi Arabia is joining RippleNet."

02:43 5 Q. Okay, and would I be correct that this is  
6 another piece of news or chatter out there that you  
7 think is one possible explanation for the rise in price?

8 A. It's possible.

9 Q. Would you have included it if you thought  
02:43 10 there was no possibility it was linked to the price  
11 rise?

12 MR. HECKER: Objection to form.

13 MS. ZORNBERG: Objection.

14 THE WITNESS: I would not have included  
02:43 15 it if I did not believe it was possible it  
16 contributed to the price rise.

17 BY MR. MOYE:

18 Q. Okay, anything else that you can remember  
19 about this price rise or the reasons you attributed to  
02:43 20 it, before we move on?

21 MR. HECKER: Objection to the form of  
22 that question.

23 BY MR. MOYE:

24 Q. Is there anything else you want to add to  
02:43 25 your prior testimony about this exhibit?

02:43 1 A. No, sir.

2 Q. Okay. Let's move on to DS Exhibit 14.

3 (Thereupon, an informal discussion was  
4 held off the record.)

02:44 5 (Thereupon, a one-page e-mail chain with  
6 the top e-mail dated 7/17/19, from [REDACTED]  
7 to [REDACTED].com et al. was  
8 introduced as DS Exhibit 14 for identification.)

9 THE VIDEOGRAPHER: This will conclude  
02:44 10 Video No. 3 in the deposition of  
11 Dinuka Samarasinghe.

12 We are off the record at 2:44 p.m.,  
13 June 9th, 2021.

14 (Recess taken at 2:44 p.m.)

02:44 15 (Resumed at 2:56 p.m.)

16 THE VIDEOGRAPHER: This is the beginning  
17 of Video No. 4 in the deposition of  
18 Dinuka Samarasinghe. We are on the record at  
19 2:56 p.m., June 9th, 2021.

02:56 20 BY MR. MOYE:

21 Q. Mr. Samarasinghe, do you have a copy of  
22 DS Exhibit 14?

23 A. Yes, sir.

24 Q. DS Exhibit 14 is a copy of an e-mail from  
02:56 25 [REDACTED], [REDACTED], at Ripple, to

02:56 1 [REDACTED] at [REDACTED], on July 17th,  
2 2019. Subject is "April XRP Sales."

3 Do you see that?

4 A. I do.

02:57 5 Q. Do you recall the circumstance -- I'm sorry.

6 Do you recall a time when [REDACTED] asked to be  
7 compensated or reimbursed for XRP that it was holding in  
8 its own inventory?

9 A. I do.

02:57 10 Q. Can you tell me what the issue or  
11 disagreement was and what the result was?

12 A. My recollection was that Ripple instructed,  
13 or sent instructions, to the programmatic liquidators to  
14 stop programmatic XRP liquidation.

02:57 15 [REDACTED] did not turn off their liquidators in  
16 time, or in a timely fashion, and wound up selling their  
17 own inventory of XRP as opposed to inventory that was  
18 dispersed by XRP II to the programmatic liquidators and  
19 wound up selling their own inventory.

02:58 20 [REDACTED] asked to be reimbursed for the XRP that  
21 they sold following the instructions and Ripple  
22 declined.

23 Q. So I would like to try to unpack that a  
24 little bit.

02:58 25 So you mentioned [REDACTED] holding XRP in its own

02:58 1 inventory. What do you mean by that?

2 A. [REDACTED] had holdings of XRP that they sold  
3 that were not part of the XRP that was delivered to be  
4 sold via programmatic liquidation.

02:59 5 Q. Do you mean that [REDACTED] held an  
6 investment in XRP or that it purchased XRP for its own  
7 purposes?

8 MS. ZORNBERG: Objection.

9 MR. HECKER: Objection to form,  
02:59 10 foundation.

11 BY MR. MOYE:

12 Q. You can answer.

13 A. I do not know.

14 Q. Okay, well, what do you understand is meant  
02:59 15 by for its own inventory? Inventory for what purpose?

16 MR. HECKER: Objection to form,  
17 foundation.

18 THE WITNESS: I do not -- I do not know  
19 for what purposes they held XRP.

02:59 20 BY MR. MOYE:

21 Q. When you were at [REDACTED], did [REDACTED]  
22 hold an inventory of XRP, as that phrase is used in this  
23 e-mail?

24 MR. HECKER: Objection to form,  
02:59 25 foundation.

02:59 1 THE WITNESS: When I was at [REDACTED],  
2 [REDACTED] did have -- did hold XRP as  
3 inventory to make two-sided markets on -- on  
4 different corridors, as well as to liquidate  
02:59 5 to pay for services, payroll, infrastructure.

6 BY MR. MOYE:

7 Q. Okay, can you tell me, if you know, why  
8 [REDACTED] wanted Ripple to pay for sales from its own  
9 inventory, why [REDACTED] believed that was appropriate  
03:00 10 under the contract or agreement with Ripple?

11 MR. HECKER: Objection to form.

12 MS. ZORNBERG: Objection to form.

13 THE WITNESS: I don't know.

14 BY MR. MOYE:

03:00 15 Q. Okay, can you tell me why Ripple thought that  
16 was not appropriate or not part of the trading  
17 agreement?

18 MS. ZORNBERG: Object to form.

19 (Pause.)

03:00 20 MS. ZORNBERG: You're asking him beyond  
21 the words on the page?

22 (Cross-talk.)

23 MR. MOYE: I'm asking -- I'm asking if he  
24 knows.

03:00 25 THE WITNESS: I don't recall. I vaguely

03:00 1 recall there being some compliance reason for  
2 it.

3 BY MR. MOYE:

4 Q. Okay, did --

03:00 5 After this disagreement or request which was  
6 denied, did [REDACTED] continue to process trades of  
7 XRP?

8 A. We ended our relationship with them to  
9 service programmatic liquidations shortly thereafter.

03:01 10 Q. Was this one of the reasons the relationship  
11 ended, this event?

12 A. This was an -- one of several reasons. They  
13 also had dramatically worse performance, conversion --

14 Q. Did you say "grammatically" or  
03:01 15 "dramatically"?

16 A. -- dramatically worse performance than our  
17 other two programmatic liquidators.

18 Q. Okay, and which performance? You meant that  
19 they were able to sell less than the others?

03:01 20 A. Their conversion rate of XRP to U.S. dollar  
21 was worse than the abilities of our other market makers.

22 Q. Okay, and do you recall when this  
23 relationship ended, more or less?

24 A. Shortly around this time.

03:01 25 Q. All right. Let's take a look at

03:01 1 DS Exhibit 15.

2 (Thereupon, a two-page e-mail dated  
3 9/3/19, from [REDACTED] to  
4 [REDACTED]@ripple.com, Bates Nos. RPLI\_SEC  
03:01 5 0295504 through RPLI\_SEC 0295505 was introduced  
6 as DS Exhibit 15 for identification.)

7 BY MR. MOYE:

8 Q. Mr. Samarasinghe, before asking you about  
9 this document, DS Exhibit 15, I want to point out a  
03:02 10 couple things to you.

11 First is that there are some parts of this document  
12 that are whited out with the word "Redacted." It's my  
13 understanding there has been a claim of privilege  
14 asserted over that.

03:02 15 So if, for whatever reason, you think my question  
16 calls for you to disclose what might have been discussed  
17 or might have been obscured by that, please don't do  
18 that. Please don't reveal any privileged information.

19 In most of the comments in this e-mail are made not  
03:02 20 by you, but by someone else, so I wanted to mention that  
21 up front.

22 Okay. Please take a moment and review what's been  
23 marked as DS Exhibit 15. For the record, it's a message  
24 from [REDACTED] to Dinuka Samarasinghe at Ripple.com,  
03:03 25 and the subject is "Responsible Stewa, [REDACTED] - can



03:03 1 we also focus on [REDACTED]." Let me know when you've had a  
2 chance to review it.

3 A. Okay.

4 Q. Okay. Do you know who [REDACTED] is?

03:04 5 A. Yes.

6 Q. Who is [REDACTED]?

7 A. [REDACTED] was another member of the  
8 markets team. He was a senior manager. I worked side  
9 by side with him for a period of time.

03:04 10 Q. Okay. Looks like these -- a number of these  
11 are responses by him.

12 Did you create a report or did someone in your unit  
13 create a report called "Responsible Stewards of XRP"?

14 A. I believe so.

03:04 15 Q. Who created that?

16 A. I believe it was a joint effort between  
17 [REDACTED], Ms. Madigan, and myself.

18 Q. Okay, and can you summarize -- before we  
19 start talking about these comments, can you summarize  
03:04 20 what the purpose of this document was and what takeaway  
21 you had from it?

22 A. To summarize, responsible stewards of XRP  
23 was -- the markets team was trying to be a little bit  
24 more aggressive in terms of future XRP deals to ensure  
03:05 25 that they fit within a framework that we thought -- felt

03:05 1 would be constructive to -- to the markets of -- to the  
2 XRP markets.

3 Q. Okay, and at this time, who was the markets  
4 team and who led it?

03:05 5 A. It was -- the markets team was  
6 Breanne Madigan, [REDACTED], myself, a gentleman  
7 named [REDACTED].

8 (Thereupon, an informal discussion was  
9 held off the record.)

03:05 10 BY MR. MOYE:

11 Q. Okay, so let's focus on the first comment of  
12 the first paragraph of text that we can see.

13 So my understanding is this is not a comment by  
14 you, correct?

03:05 15 A. This is not a comment by you.

16 Q. But it's a comment that you received?

17 A. Yes.

18 Q. Okay, can you tell me what you understand  
19 [REDACTED] to be saying in the first comment?

03:06 20 A. Yes. Any XRP that gets released into the  
21 market -- let's rewind a little bit.

22 Inflation of a digital asset or inflation rate of a  
23 digital asset is not actively defined anywhere. I don't  
24 think that there's necessarily a consensus agreement on  
03:06 25 what that should be.

03:06 1           The XRP markets team believed that introduction of  
2 XRP into the market by Ripple should be considered an  
3 increase in the circulating supply. I think we used the  
4 word "inflation" several times, but let's just -- let's  
03:07 5 call it an increase in circulating supply.

6           We wanted to ensure future deals entered into by  
7 Ripple that led to a disbursement of XRP was done so in  
8 a measured fashion.

9           Q.     Okay.

03:07 10                   (Thereupon, an informal discussion was  
11                   held off the record.)

12 BY MR. MOYE:

13           Q.     The phrase "the XRP market," either as you  
14 use it or as used in these comments, what do you  
03:07 15 understand the XRP market to consist of? Who -- who's  
16 part it have?

17                   (Pause.)

18                   THE WITNESS: That's a broad question.  
19 It involves infrastructure providers, entities  
03:08 20 that list derivatives, custodians -- you know,  
21 indices -- you know, anywhere from market  
22 makers.

23                   At this point, it is also entities using  
24 ODL, but also digital asset speculators who  
03:08 25 hold XRP.

03:08 1 BY MR. MOYE:

2 Q. And when you're -- I understand this comment  
3 is about -- appears to be about decreasing inflation --  
4 or decreasingly inflationary.

03:08 5 Do you understand that term --

6 A. Yes.

7 Q. -- to mean reducing inflation?

8 A. That's correct.

9 Q. Okay, what aspect of the markets -- what  
03:08 10 aspect is desired to be decreasing inflation? Price?  
11 Volume? Volatility?

12 A. The number --

13 MR. HECKER: Objection to the form of the  
14 question.

03:09 15 BY MR. MOYE:

16 Q. You can answer.

17 A. The markets team inspired to have reducing  
18 quantities of XRP introduced into the market.

19 Q. So you still want -- the planned was still to  
03:09 20 introduce XRP into the market but in quantities that are  
21 smaller and smaller over time?

22 A. In terms --

23 MR. HECKER: Objection.

24 THE WITNESS: In terms of units of X --

03:09 25 MR. HECKER: Sorry. Just wait for a

03:09 1 second. Objection to the form.

2 BY MR. MOYE:

3 Q. You can answer.

4 A. In terms of units of XRP.

03:09 5 Q. In terms of units of XRP. Okay.

6 Was there a goal of a number or a percentage or a  
7 volume that you were trying to hit at some point as this  
8 framework was put into effect?

9 MS. ZORNBERG: Objection to form.

03:09 10 THE WITNESS: At this point, it was  
11 still, sort of, high level numbers. We did  
12 not have any fixed metrics that we had settled  
13 upon.

14 BY MR. MOYE:

03:10 15 Q. So there's a phrase in here that says "lean  
16 toward inflation model with sales fit into inflation  
17 model."

18 Was there an inflation model that the markets team  
19 was evaluating or trying to implement?

03:10 20 A. The markets team aspired XRP supply  
21 introduction to be what we called "fixed supply," which  
22 would be a fixed unit, a fixed unit number of XRP to be  
23 introduced at any given period of time.

24 Q. And what was the -- what was the hoped for  
03:10 25 result, if you would implement that framework?

03:11 1 (Pause.)

2 THE WITNESS: The hoped for result was  
3 that ultimately having an orderly introduction  
4 of XRP supply in XRP unit terms into the  
03:11 5 market.

6 BY MR. MOYE:

7 Q. What was disorderly about the introduction of  
8 supply at this time?

9 MR. HECKER: Objection to the form.

03:11 10 THE WITNESS: In September of 2019, if I  
11 recall correctly, we had moved to a new basis  
12 of percentage volume in terms of sales  
13 measurement.

14 Historically, programmatic sales for XRP  
03:11 15 had been done at a percentage of reported  
16 volumes. From late 2018 through early 2019,  
17 the markets team got increasingly concerned  
18 that reported volumes were fake, or at least a  
19 large portion of reported volumes were fake.

03:12 20 BY MR. MOYE:

21 Q. Reported volumes being too small, smaller  
22 than the real volume?

23 A. No.

24 Q. Okay.

03:12 25 A. Larger than actual volume.

03:12 1 Q. Okay. And what about after the first  
2 quarter? What was the markets team --

3 A. That's -- no, after the first half.

4 So in the second half, we moved to a new bases.  
03:12 5 After a long period of analyzing what may be a better  
6 source of volume, we moved to a different bases of  
7 volume, from [REDACTED] to [REDACTED] top tier,  
8 which we believed was a much more conservative estimate  
9 of global XRP volumes. That was -- that was one aspect.

03:12 10 The second aspect was a deal with [REDACTED], which the  
11 markets team became aware of and had to begin servicing,  
12 which essentially [REDACTED] bought units of XRP at a discount,  
13 and from our analysis, appeared to be selling directly  
14 to the market to monetize.

03:13 15 Q. Okay. We're going to talk more about that  
16 second piece especially.

17 But before we move on, do you know why the markets  
18 team wanted or desired to tie sales to existing volumes  
19 of XRP?

03:13 20 Why was that a valuable comparison or limit?

21 MR. HECKER: Objection to the form.

22 THE WITNESS: That was something that was  
23 put into place before I had joined Ripple.

24 The belief was, if Ripple sold XRP at a small  
03:13 25 enough percentage of daily volume, it would

03:13 1           have small -- or they were attempting to  
2           minimize market -- negative market impact.

3 BY MR. MOYE:

4           Q.     And what do you mean by "negative market  
03:13 5 impact"?

6           A.     Sales pressure in the market as XRP  
7 programmatic liquidations were occurring.

8           Q.     And when you say, "sales pressure," do you  
9 mean as part of that price decline?

03:14 10          A.     As part of that, yes.

11          Q.     Okay, [REDACTED] mentions -- I can't tell if  
12 he's recommending or saying it as a fact. He uses the  
13 phrase "prohibit XRP sales at a discount without  
14 escrow."

03:14 15          Is that a recommendation of this XRP sale at market  
16 sales team, or is that something that has already been  
17 adopted as a goal?

18          A.     That was not something that was adopted as a  
19 goal. That was aspirational.

03:14 20          Q.     Okay, how about the next point, "Make any  
21 spirit of deal explicit with respect to XRP"?

22          A.     Yes, I believe all of this is aspirational.

23          Q.     What does it mean to "make any spirit of the  
24 deal explicit"?

03:15 25                   (Pause.)



03:15 1 BY MR. MOYE:

2 Q. Let me read a little more of what [REDACTED]  
3 says and I'll ask you to agree whether he's described it  
4 accurately.

03:15 5 In the last few lines of the first comment he said  
6 "The spirit of [REDACTED] deal was that they hold on to some  
7 XRP. The spirit of [REDACTED] deal is that they sell just  
8 to their customers. Spirit of the [REDACTED] deal is that  
9 they buy and hold."

03:15 10 Did you have any understanding of the term "spirit  
11 of the deal," and did it relate to these arrangements  
12 with these companies?

13 MS. ZORNBERG: Objection, compound.

14 BY MR. MOYE:

03:15 15 Q. You can answer.

16 A. It was my understanding that -- for example,  
17 [REDACTED] has these correct. The [REDACTED] deal, from  
18 our analysis, appeared that [REDACTED] monetized their  
19 discount after claiming they were going to be long-term  
03:16 20 holders of XRP.

21 Similar with [REDACTED].

22 Q. But as it turned out, each of these companies  
23 decide not to be long-term holders and they were  
24 monetizing their store of XRP; is that right?

03:16 25 A. That's correct.

03:16 1 Q. Okay, and that was bad for Ripple how?

2 A. They were essentially causing large sell  
3 pressure on the markets, aggressive sale activity into  
4 the markets, increasing XRP inflation.

03:16 5 Q. And as part of that phenomena that you viewed  
6 as negative, was there -- were there decreases in price  
7 of XRP?

8 A. We measured not necessarily as a decrease in  
9 price of XRP, but more as a decrease in XRP ratio versus  
03:17 10 other digital assets.

11 Q. I understand. There were other factors, but  
12 were there decreases in price that accompanied these  
13 other phenomena that you saw?

14 A. Relative to other digital assets.

03:17 15 Q. Okay, if we go below the first redacted  
16 column, there's a comment by [REDACTED], "Direct [REDACTED]  
17 buybacks aren't happening, that was a hard no."

18 What's he referring to here? Do you have any  
19 understanding?

03:17 20 A. Yes. The [REDACTED] deal essentially allowed [REDACTED] to  
21 buy, over a period of time, a [REDACTED] dollars' worth of  
22 XRP for a price of \$ [REDACTED].

23 Q. So at a discount?

24 A. At a -- over the entire deal, roughly a  
03:17 25 [REDACTED] percent discount.

03:17 1 [REDACTED] would essentially buy at a -- you know, say, a  
2 daily tranche or withdraw some sort of tranche on a  
3 regular bases and sell immediately into the market,  
4 according to our analysis. That's what it appeared to  
03:18 5 be. And it appeared to be that they were just locking  
6 in [REDACTED] percent by selling a dollar, right, into the  
7 market.

8 Q. What's the buyback that's referred to here?

9 A. Ultimately, in terms of how we could reduce  
03:18 10 XRP inflation, reduce XRP's sell pressure, you know, [REDACTED]  
11 would -- you know, would buy -- we would essentially buy  
12 XRP directly from [REDACTED] before they sold it into the  
13 market.

14 Q. Was that a proposal or did that actually  
03:18 15 happen?

16 A. I believe it was proposed to [REDACTED].

17 Q. And what was his response?

18 A. No.

19 Q. He would rather sell on the market than sell  
03:19 20 back -- than sell the XRP back to Ripple?

21 A. Correct.

22 Q. And was that viewed as a good thing or a bad  
23 thing in Ripple?

24 A. I don't recall how that was viewed. I -- I  
03:19 25 do recall some consternation that [REDACTED] did not

03:19 1 immediately agree to our proposed solution.

2 Q. Okay, so let's go to the bottom comment.

3 And, again, this is not you commenting, this is

4 Ms. Madigan.

03:19 5 But beginning in the middle of the first line and  
6 continuing on, she says "heard from Dinuka today that I  
7 think [REDACTED]" -- [REDACTED] -- "sees a window. Not sure we can  
8 override [REDACTED], though."

9 Do you know what that comment relates to?

03:20 10 A. I don't recall.

11 Q. Okay. Did you personally see a possibility  
12 to change [REDACTED]'s mind about the proposal Ripple was  
13 making?

14 Could you see an initiative that many others -- an  
03:20 15 opportunity that maybe others didn't see?

16 A. Yes.

17 Q. What was that opportunity?

18 A. My recommendation was that Ripple pay [REDACTED]  
19 purely the net benefit of the deal.

03:20 20 Q. In exchange for what, getting the XRP back?

21 A. No. So essentially, let's say, over  
22 two years' period of time, [REDACTED] was to buy a [REDACTED]  
23 dollars' worth of XRP for [REDACTED]. Let's say  
24 [REDACTED] percent of the deal went through, now they had --

03:20 25 they could buy [REDACTED] -- [REDACTED] for [REDACTED] percent less than

03:21 1 that.

2 Q. Yep.

3 A. Right? So let's say -- what's [REDACTED] percent  
4 less than -- whatever it is. Let's say it's -- let's  
03:21 5 say they were going to buy the rest of it, \$ [REDACTED] --  
6 [REDACTED] for [REDACTED] --

7 (Thereupon, an informal discussion was  
8 held off the record.)

9 THE WITNESS: [REDACTED] dollars' worth  
03:21 10 of XRP for [REDACTED] dollars' worth of  
11 purchases, the net benefit to them would have  
12 been, in that case, \$ [REDACTED].

13 I said very simply, let's just give [REDACTED]  
14 [REDACTED] dollars' worth of [REDACTED] through the  
03:21 15 remainder of this deal, give them a lower --  
16 give them the new bases of sales percentage,  
17 the [REDACTED] top tier compared to  
18 [REDACTED], and that way we would reduce  
19 XRP supply introduction, or XRP inflation  
03:22 20 rate, through this deal alone by over  
21 [REDACTED] percent.

22 BY MR. MOYE:

23 Q. And Ripple would hold on to XRP that would  
24 have otherwise sold to [REDACTED]?

03:22 25 A. That's correct.

03:22 1 Q. All right. And who did you make that  
2 proposal to and how was it received?

3 A. I initially proposed it to Breanne Madigan  
4 and [REDACTED]. They liked the idea. We had a meeting  
03:22 5 with members of [REDACTED], which was the crypto market  
6 making team at [REDACTED], and they seemed receptive to it.  
7 Communicated this to leadership at Ripple.

8 Q. And then what happened?

9 A. Over some period of time, [REDACTED] agreed to  
03:23 10 something very close to the recommendation.

11 Q. Okay, let's turn over the page after the  
12 comment from Ms. Madigan, there's a comment from  
13 [REDACTED]. It begins "Q3 markets report will be fine."  
14 Do you see that?

03:23 15 A. Uh-huh.

16 Q. Okay, and in the end of the second line of  
17 his comment, he says "D has identified a really  
18 dangerous structural problem with the [REDACTED] deal."

19 Now, do you believe the "D" he's referring to is  
03:23 20 you, Dinuka?

21 A. Yes, it is.

22 Q. Okay, and do you recall identifying what  
23 [REDACTED] describes as "a really dangerous structural  
24 problem with the [REDACTED] deal"?

03:23 25 A. Yes, I do.

03:23 1 Q. What was that problem?

2 A. The amount of XRP purchased by [REDACTED] was in  
3 dollar terms, not in XRP units terms.

4 Q. Okay.

03:24 5 A. So as they cause price impact on XRP, the  
6 price of XRP would go lower, but the amount of XRP that  
7 they would purchase for the same similar amount would go  
8 up.

9 Q. So they would get more for less?

03:24 10 A. Increasingly more for less. So if our  
11 concern was inflation rate of XRP, as the price went  
12 lower to fulfill this deal, the inflation rate would  
13 continuously slope up, leading to what we feared would  
14 be potentially very serious for XRP.

03:24 15 Q. For XRP or for Ripple?

16 A. For XRP and -- you know, I think Ripple,  
17 again, has a long-term interest in XRP price.

18 Q. Okay, and would that structural problem also  
19 have been bad news for XRP holders?

03:25 20 A. I believe so.

21 (Pause.)

22 MR. MOYE: Just a moment.

23 (Pause.)

24 BY MR. MOYE:

03:25 25 Q. Can you look at the top of the second page?

03:25 1 This is continuing a Breanne Madigan comment.

2 A. Uh-huh.

3 Q. She says:

4 "We have to focus on finding a way to get the  
03:26 5 supply back. V worried about XRP at 0.20 and lower  
6 otherwise. I dread q3 report if we don't take swift,  
7 creative action now."

8 What do you understand Ms. Madigan to be saying in  
9 this comment?

03:26 10 (Pause.)

11 THE WITNESS: I don't -- I don't know.

12 BY MR. MOYE:

13 Q. When she says "I dread," in all caps, "q3  
14 report if we don't take swift, creative action now," do  
03:26 15 you think she's referring to the Q3 markets report?

16 A. That's correct.

17 Q. And when she says "I dread," do you think  
18 she's concerned about how that report will be received?

19 A. I believe so.

03:26 20 Q. And when she says "V worried about XRP at  
21 0.20," do you think she's talking about the [REDACTED] deal or  
22 something else?

23 MS. ZORNBERG: Objection to form.

24 THE WITNESS: I don't recall.

25



03:27 1 BY MR. MOYE:

2 Q. I realize you're not her, but isn't the  
3 premise of these comments that [REDACTED] is getting to  
4 purchase XRP at a [REDACTED] percent discount?

03:27 5 A. Yes.

6 Q. Is there anything else or any other entity  
7 that you were aware of at this time that was able to  
8 purchase XRP at a [REDACTED] percent discount?

9 A. Not to my knowledge.

03:27 10 Q. Do you know whether the XRP market, however  
11 it was defined, knew that [REDACTED] was able to buy XRP at a  
12 [REDACTED] percent discount?

13 MR. HECKER: Objection to form.

14 THE WITNESS: No.

03:27 15 BY MR. MOYE:

16 Q. Is that you don't know, or you don't believe  
17 people knew?

18 A. I don't --

19 MR. HECKER: Same objection.

03:27 20 BY MR. MOYE:

21 Q. You can answer.

22 A. I don't believe people knew.

23 Q. Okay. And is there something about the Q3  
24 market report, either as drafted or the phenomena, that  
03:27 25 you'd be describing it, that you think would have

03:27 1 revealed that dynamic with [REDACTED]?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: It would have been visible  
4 to a sophisticated observer.

03:28 5 (Thereupon, a two-page e-mail dated  
6 10/15/19, from Breanne Madigan to  
7 [REDACTED]@ripple.com, Bates Nos. RPLI\_SEC 0518302  
8 through 0518303, was introduced as DS Exhibit  
9 16 for identification.)

03:28 10 BY MR. MOYE:

11 Q. Okay. Let's go to DS Exhibit 16.

12 Mr. Samarasinghe, DS Exhibit 16 are messages -- top  
13 message shows from Breanne Madigan, sent on  
14 October 15th, 2019 to [REDACTED]@ripple.

03:29 15 Is that Ethan Beard?

16 A. Yes.

17 Q. And the subject is "Q3 markets Report."

18 There's a comment from you about halfway down this  
19 first page, right underneath [REDACTED].

03:29 20 Can you tell me what comment you're making or what  
21 point you're trying to communicate?

22 A. I think Ethan Beard's point here is -- you  
23 know, I think we were discussing earlier today, or at  
24 least I made a comment earlier today, that inflation  
03:30 25 rate of the digital asset is not clearly defined

03:30 1 anywhere.

2 In the case of XRP, all XRP that was ever created  
3 was created at the Genesis block. So there is an  
4 argument that there is no inflation of XRP. It's purely  
03:30 5 deflationary.

6 Q. How does your comment relate to that concept?

7 A. I'm -- I'm challenging that -- that line of  
8 thinking, and from, I think ...

9 (Pause.)

03:30 10 THE WITNESS: And I try to use parallels  
11 to other assets that are hoarded, that do get  
12 considered part of outstanding supply.

13 BY MR. MOYE:

14 Q. Okay, so your comment here that says "Ripple  
03:31 15 sales and other releases to partners from its unlocked  
16 pool of holdings act as a distribution of XRP, similar  
17 to how BTC gets distributed by unlocking a block."  
18 That's what you believed at the time?

19 A. That's correct.

03:31 20 Q. As you sit here today, do you still agree  
21 with that comment?

22 A. I do.

23 Q. Okay, let's look on the back for another  
24 comment from you. So it looks like there's some  
03:31 25 continued discussion on these issues and you begin by

218

03:31 1 saying "This has the makings of a very good  
2 philosophical debate."

3 (Thereupon, an informal discussion was  
4 held off the record.)

03:31 5 MR. MOYE: Mr. Samarasinghe's comment  
6 begins under [REDACTED].

7 BY MR. MOYE:

8 Q. Please go to the second paragraph of your  
9 comment. Could you read the first sentence of the  
03:32 10 second paragraph of your comment?

11 A. "We have recently messaged publicly (i.e.  
12 Bloomberg) that XRP increase in supply has been lower  
13 than BTC and ETH, so I think this is an important point  
14 that needs to be in this report, especially after the  
03:32 15 allegations of dumping."

16 Q. Before you go on, the last part of the  
17 sentence, "allegations of dumping." What are you  
18 referring to?

19 A. There were rumors and speculation that from  
03:32 20 XRP speculators that Ripple, the company, was dumping,  
21 selling very aggressively its holdings of XRP.

22 Q. Okay, and you thought as a result of those  
23 allegations, something ought to be included or changed  
24 or strengthened in the next XRP markets report?

03:33 25 A. That's correct.

03:33 1 Q. Okay, what is it you wanted to say, more or  
2 less?

3 A. I wanted to -- I wanted for us to regularly  
4 include XRP's inflation rate --

03:33 5 Q. And --

6 A. -- as we calculate it had.

7 Q. As the markets team calculated it or as  
8 Ripple as a whole?

9 A. At this point, I think it is the markets team  
03:33 10 would make a recommendation of how we should -- we  
11 believed it should be calculated.

12 Q. Okay, in the last sentence, you talk about  
13 "WoW change in TOTAL XRP DISTRIBUTED." Is that the  
14 formulation or the ratio that you wanted to -- that you  
03:33 15 wanted to use or see used?

16 A. At the time, yes.

17 Q. Okay. Do you still think that is the best --  
18 would have been the best way to describe the -- I don't  
19 want to say ratio -- the rate of inflation?

03:33 20 Do you still think that is the best way of  
21 inflation for XRP should be described?

22 (Pause.)

23 THE WITNESS: I don't know the -- the  
24 best way, the rate of inflation of XRP should  
03:34 25 be described.

03:34 1 BY MR. MOYE:

2 Q. You still think your way would have been a  
3 good way?

4 A. I think it would have been a perfectly valid  
03:34 5 way.

6 Q. Okay, who at Ripple, if anyone, disagreed  
7 with you on that?

8 MR. HECKER: Objection to the form.

9 THE WITNESS: That the week-on-week  
03:34 10 change would be a good way to go ... I think  
11 Ethan Beard, for one, and I don't think I got  
12 much pushback outside of that.

13 BY MR. MOYE:

14 Q. Was the week-on-week method of describing it  
03:34 15 ever adopted within Ripple?

16 A. Not to my knowledge.

17 Q. Okay. Let's move on to DS Exhibit 17.

18 (An informal discussion was held off the  
19 record.)

03:35 20 (Thereupon, a five-page e-mail chain with  
21 top e-mail dated 11/16/19, from [REDACTED] to  
22 [REDACTED] et al., was introduced as DS  
23 Exhibit 17 for identification.)

24 BY MR. MOYE:

03:35 25 Q. All right. Please review -- or please take a

03:35 1 look at DS Exhibit 17. This appears to be a copy of a  
2 message from [REDACTED] at Ripple, dated November 16th,  
3 2019, to a distribution list, including yourself, and  
4 the subject is "MGI - Ripple weekly call followup."

03:36 5 This e-mail forwards or includes a message that was  
6 apparently sent to you and, I believe, [REDACTED]; is  
7 that right? [REDACTED]?

8 A. [REDACTED], yeah.

9 Q. Okay. And someone named [REDACTED]  
03:36 10 writes "We had our weekly call with Coins yesterday, and  
11 they did raise concern that our market makers don't post  
12 any ask orders."

13 Do you understand what she means by that?

14 A. Yes.

03:36 15 Q. What does it mean?

16 A. Coins is short for Coins Pro digital asset  
17 exchange in the Philippines, who is an ODL partner. And  
18 ODL essentially, a destination exchange. Coins had  
19 near-zero liquidity at the time, I think under \$20,000 a  
03:37 20 day worth of XRP versus Filipino peso daily notional  
21 volume.

22 And so intercept order flow through the ODL  
23 product, we had market makers on Coins Pro placing bids  
24 for XRP with Filipino peso.

03:37 25 Because order flow was essentially one directional,

03:37 1 U.S. to Philippines, Australia to Philippines, the  
2 market makers were not placing ask quotes for --  
3 offering XRP for a Filipino peso. Essentially just a  
4 one-sided quote.

03:38 5 Coins had an idiosyncrasy with their engine such  
6 that if there weren't offer quotes available on the  
7 market for a certain size, orders -- I forget exactly  
8 what happened, but -- you know, I forget exactly how the  
9 product worked, but it was causing some sort of issue on  
03:38 10 the Coins network.

11 Q. Were the spreads widening or narrowing?

12 A. Well, there was no spread, because there was  
13 no opposite side.

14 Q. The second sentence here, maybe you can help  
03:38 15 me understand it, reads "[REDACTED] said last week, there  
16 were times when there was no market maker at all on ask  
17 side, so bid-ask spread reached 7 percent on the order  
18 book."

19 Do you see that?

03:39 20 A. Uh-huh.

21 Q. So is that a widening or narrowing of the  
22 spread?

23 A. That is a widening, so she's talking about --  
24 you know, offers of -- for -- offers of XRP for Filipino  
03:39 25 peso from the natural liquidity down that order book,



03:39 1 not from the market makers.

2 Q. Okay, and then what's the -- what's your  
3 uptake or what's your understanding of the last sentence  
4 in that -- in that first paragraph, "This week, they are  
03:39 5 seeing one market maker"?

6 A. Yes. So one of our market makers who was  
7 posting an ask, so the one market maker was posting a  
8 two-sided quote; however that -- that quote was not of  
9 appropriate size that they needed.

03:39 10 Q. Okay, let's turn now to the second page and  
11 look at some comments by you. The one at the top,  
12 Friday, November 15 at 8:38 p.m.

13 What are you trying to communicate here?

14 A. Sorry, which one?

03:40 15 Q. The top of page 2 --

16 A. Yeah.

17 Q. -- your comment at 8:30 p.m. "Do we know  
18 what reference rate MGI uses"?

19 A. Okay, so in foreign exchange trading, there  
03:40 20 are different kinds of currencies that are more freely  
21 tradeable. For example, USD, euro, yen, Aussie, Swiss  
22 franc, they are tradeable, like, 24/5 with some  
23 liquidity over the weekends on ECNs.

24 You can have a prime broker provide a quote that is  
03:40 25 deliverable in these currencies for these times.

03:40 1 Filipino peso is not one of these currencies. It's  
2 considered a non-deliverable currency. Many -- you  
3 know -- you know -- can't necessarily open up a  
4 TD Ameritrade -- or interactive brokers account and get  
03:41 5 deliverable Filipino peso, even if you're a serious  
6 trading firm.

7 Q. Okay, let's go down to your next comment on  
8 this page. It says Friday, November 15th at 5:20 p.m.  
9 You say "Those spreads are concerning."

03:41 10 What are you trying to communicate?

11 (Pause.)

12 THE WITNESS: Okay, so the below -- the  
13 comment by [REDACTED] on November 15th,  
14 2019 at 8:02 says "Spreads pictured look a  
03:42 15 little concerning. Am I reading those right  
16 at 2.4 to 3 percent worse than spot?"

17 The ODL product in moving from one fiat  
18 asset to another fiat asset with XRP as a  
19 bridge in between gives you and implied or  
03:43 20 theoretical conversion price. So if you're  
21 moving XRP to US -- USD to XRP, XRP to  
22 Filipino peso --

23 (Thereupon, an informal discussion was  
24 held off the record.)

03:43 25 THE WITNESS: If you're moving USD to

03:43 1 XRP, then XRP to Filipino peso, you get an  
2 implied USD to Filipino peso conversion rate.  
3 This is not the interbank FX rate or a  
4 reference rate, but we measured that rate  
03:43 5 compared to something, right?

6 In the case of Dollar MX, there is a  
7 reference rate, because the Mexican peso is a  
8 deliverable currency.

9 Filipino peso, because it's not a  
03:44 10 deliverable currency, does not have a clear  
11 reference rate during certain periods.  
12 Weekend -- you know, etc.

13 And so we -- the question was, which  
14 reference rate should the market makers use to  
03:44 15 give their -- to basically imply their XRP PHP  
16 price and how do we source this at hours where  
17 that may not be available.

18 BY MR. MOYE:

19 Q. Did these comments that we've been talking  
03:44 20 about suggest that at this point in time, the ODL  
21 transaction system was working well or having problems?

22 MR. HECKER: Objection to form.

23 THE WITNESS: I actually think it implies  
24 that it's work -- it's providing utility in  
03:44 25 that it's giving a rate where other markets

03:45 1 would not be able to do a similar conversion.

2 MR. MOYE: Okay, let's put that one  
3 aside. Let's take a five-minute break now.

4 THE VIDEOGRAPHER: We are off the record.

03:45 5 The time is 3:45 p.m.

6 (Recess taken at 3:45 p.m.)

7 (Resumed at 3:57 p.m.)

8 THE VIDEOGRAPHER: We are back on the  
9 record. The time is 3:57 p.m.

03:57 10 (An informal discussion was held off the  
11 record.)

12 (Thereupon, a one-page e-mail dated 7/1/19  
13 from Dinuka Samarasinghe to [REDACTED] et  
14 al., Bates No. SEC-[REDACTED]-E-0048590 was  
03:57 15 introduced as DS Exhibit 35 for identification.)

16 BY MR. MOYE:

17 Q. Please take a moment and look at what's been  
18 marked as DS Exhibit 35.

19 A. Okay.

03:58 20 Q. Mr. Samarasinghe, DS Exhibit 35 is a message  
21 sent by you to [REDACTED] at [REDACTED].com on  
22 July 21st, 2019. Let me know when you've had a chance  
23 to look this over.

24 (Pause.)

03:59 25 THE WITNESS: Okay.

03:59 1 BY MR. MOYE:

2 Q. Okay, what is Exhibit 35?

3 A. I'm providing a reference -- this is a draft  
4 of a reference I'm producing for [REDACTED].

03:59 5 Q. And who are you sending it to?

6 A. I believe [REDACTED].

7 Q. Okay. In general, what are you -- what are  
8 you describing in the draft?

9 A. Our trust in the team at [REDACTED]  
04:00 10 through their history of XRP programmatic liquidation  
11 and as an ODL market maker.

12 Q. Okay, I don't see ODL used in here, but I see  
13 xRapid?

14 A. Yes.

04:00 15 Q. What is xRapid?

16 A. XRapid was the name of ODL before it was ODL.

17 Q. Okay. So I would like to ask you about the  
18 first paragraph. Can you read the first sentence of the  
19 last paragraph? It begins "A critical piece."

04:00 20 A. "A critical piece of the xRapid market making  
21 project will involve [REDACTED] converting USD to  
22 more exotic currencies such as Filipino peso and  
23 Brazilian real and delivering them to various digital  
24 asset exchanges (Coins.ph, [REDACTED], etc.). We are hopeful  
04:00 25 [REDACTED] will help facilitate these transactions for

04:01 1 [REDACTED]."

2 Q. Okay. So I want to make sure I'm  
3 understanding your prior testimony and this currency  
4 explanation of how this transaction system works.

04:01 5 If [REDACTED] converts U.S. dollars to exotic  
6 currencies and delivers them to various digital assets  
7 exchanges, how is it -- how is it delivering that?  
8 What -- what's the method for delivering that?

9 A. So let's -- if you recall my earlier  
04:01 10 testimony, the job of an ODL market maker is to source  
11 local fiat to deliver to a digital asset exchange, to  
12 essentially use that to place a bid for XRP that  
13 essentially intercepts an ODL payment coming through in  
14 the form of XRP.

04:02 15 Let's walk through the life cycle of a trade of an  
16 ODL market maker. Let's say for hypothetical purposes,  
17 I start with 1,000 Filipino peso, I place it on -- I  
18 have this already delivered on Coins Pro -- I place a  
19 bid for XRP using my inventory of Filipino peso. Let's  
04:02 20 say that order gets hit. My inventory balance of  
21 Filipino peso goes down, my inventory of XRP goes up.  
22 You can certainly imagine where you run entirely out of  
23 Filipino peso and you have entirely -- let's say for  
24 arguments purposes, it's just 1,000 Filipino peso, all  
04:02 25 that gets converted to XRP.

04:02 1 To intercept the next ODL payment, I need to get  
2 more Filipino peso, otherwise, I cannot place a bid, so  
3 I have to convert XRP, what is now XRP, back into  
4 Filipino peso.

04:03 5 I mentioned earlier that there's no liquidity  
6 outside of our market makers for -- on the Coins Pro  
7 order book. So the market makers have to move XRP  
8 elsewhere into a different asset to source Filipino  
9 peso.

04:03 10 Typically, the cycle works from the market maker  
11 taking XRP, moving it to an exchange where they can  
12 source U.S. dollar. So they sell the XRP for U.S.  
13 dollar, now they withdraw the U.S. dollars from that  
14 second digital asset exchange, convert it using an  
04:03 15 entity like [REDACTED] to Filipino peso and then deliver  
16 that to the digital asset exchange.

17 Q. As part of our prior discussion, did you  
18 agree that traditional rails are used by the market  
19 makers in some aspects of these transactions?

04:04 20 A. Typically, yes.

21 Q. Okay, so if market makers are using  
22 traditional rails, why is XRP needed at all?

23 MS. ZORNBERG: Object to form.

24 BY MR. MOYE:

04:04 25 Q. You can answer.

04:04 1 A. I think this -- XRP allows movement of value  
2 from one, essentially borderless and close to free  
3 24 hours a day. If a market maker can deliver Filipino  
4 peso, they can still support orders, say, over weekends  
04:04 5 and holidays where banks may be closed.

6 Q. So do you think it's greatest utility or the  
7 greatest benefit of XRP is on weekends and holidays?

8 MR. HECKER: Objection to form,  
9 mischaracterizes his testimony.

04:05 10 BY MR. MOYE:

11 Q. Did I understand your testimony correctly?

12 MR. HECKER: Same objection.

13 THE WITNESS: I don't think that's the  
14 greatest utility.

04:05 15 BY MR. MOYE:

16 Q. Okay, do customers currently save money by  
17 using XRP?

18 MS. ZORNBERG: Objection to form.

19 MR. HECKER: Objection to form.

04:05 20 BY MR. MOYE:

21 Q. You can answer.

22 A. I don't have the visibility into customer  
23 finances.

24 Q. Do any reason to believe that customers save  
04:05 25 money through the use of XRP in these foreign currency



04:05 1 exchanges?

2 MR. HECKER: Same objection.

3 THE WITNESS: I don't know what a  
4 customer might be using otherwise.

04:05 5 BY MR. MOYE:

6 Q. Doesn't the use of XRP for these foreign  
7 currency transactions actually make the transaction more  
8 costly?

9 MR. HECKER: Objection to form.

04:05 10 MS. ZORNBERG: Object to form and asked  
11 and answered. Asked and answered now in  
12 different ways.

13 MR. MOYE: He can answer.

14 THE WITNESS: Relevant to what? I don't  
04:06 15 necessarily know what a -- what alternative a  
16 specific entity may be using.

17 BY MR. MOYE:

18 Q. Is the use of XRP economical without  
19 incentives and subsidies paid to customers by Ripple?

04:06 20 MS. ZORNBERG: Objection.

21 MR. HECKER: Objection to the form of the  
22 question.

23 THE WITNESS: I think my response is the  
24 same. Compared to -- to what? I -- I --

25

04:06 1 BY MR. MOYE:

2 Q. Compared to using traditional rails?

3 (Pause.)

4 MS. ZORNBERG: Object to form.

04:06 5 THE WITNESS: Traditional rails can be  
6 very expensive. I think having dealt in a  
7 foreign exchange, you can significantly lower  
8 your costs in sending a cross border or doing  
9 a foreign exchange transaction, but that  
04:07 10 typically involves a very expensive  
11 infrastructure. Let's say you're talking  
12 about, to do something similar, you would need  
13 to have a prime brokerage relationship. You  
14 would need to have -- you know, connectivity  
04:07 15 to various different FX exchanges, perhaps an  
16 EBS subscription or Thompson Reuters  
17 subscription.

18 You know, the infrastructure a line that  
19 we had, say, at [REDACTED] or at [REDACTED],  
04:07 20 you know, cost over a million dollars a year.

21 BY MR. MOYE:

22 Q. Would a market maker choose to make a market  
23 in XRP and other exotic currencies if they weren't being  
24 paid or subsidized by Ripple?

04:07 25 MR. HECKER: Objection to form,

233

04:07 1 foundation.

2 BY MR. MOYE:

3 Q. You can answer.

4 A. If they believed there was a profit in it.

04:08 5 Q. Are you aware of any market makers that --  
6 that believe there's a profit enough to make a market in  
7 XRP without receiving subsidies or payments by Ripple?

8 MS. ZORNBERG: Objection.

9 THE WITNESS: Making markets in XRP?

04:08 10 BY MR. MOYE:

11 Q. Yeah.

12 A. My understanding is there are a lot of  
13 trading firms that make markets in XRP without being  
14 subsidized by Ripple.

04:08 15 Q. Do you know the names of any of them?

16 A. [REDACTED] is one of them, [REDACTED],  
17 [REDACTED].

18 (Pause.)

19 BY MR. MOYE:

04:09 20 Q. Based on your knowledge of Ripple, did Ripple  
21 have a plan to stop paying market makers and paying  
22 incentives to customers who transact -- who use XRP  
23 to -- for their foreign currency transactions?

24 MS. ZORNBERG: Objection.

04:09 25 MR. HECKER: Foundation. I mean, he's a

04:09 1 former employee.

2 BY MR. MOYE:

3 Q. Yeah, if you know.

4 A. I cannot speak to customers of -- of ODL. In  
04:09 5 terms of my time as -- on the XRP Markets team, growing  
6 natural liquidity for ODL support on destination  
7 exchanges was something that we -- we aimed to make,  
8 essentially providing liquidity sustainable.

9 This was communicated to the market makers and they  
04:10 10 understood that there were certain features of the  
11 market making deals that we hoped would lead towards the  
12 growth of natural liquidity.

13 Q. And you're with GSR right now?

14 A. Yes, sir.

04:10 15 Q. And you're still dealing with Ripple  
16 occasionally?

17 A. Yes.

18 Q. Okay, has that natural liquidity grown up as  
19 expected or as anticipated by Ripple?

04:10 20 MR. HECKER: Objection to form.

21 THE WITNESS: I would imagine that the  
22 growth of natural liquidity is slower than  
23 Ripple expected.

24 BY MR. MOYE:

04:10 25 Q. So is it fair to say right now, Ripple is --

04:10 1 as far as you know, Ripple is still paying market makers  
2 to use XRP in foreign currency transactions?

3 MS. ZORNBERG: Objection.

4 MR. HECKER: Objection.

04:11 5 BY MR. MOYE:

6 Q. Is that right?

7 MR. HECKER: Foundation.

8 THE WITNESS: My understanding is Ripple  
9 is still entering into deals with market  
04:11 10 makers to support ODL liquidity.

11 BY MR. MOYE:

12 Q. Do you have any sense, based on your time at  
13 Ripple or your knowledge of the company acquired since  
14 leaving, where the funding or the money to support ODL  
04:11 15 transactions comes from?

16 A. Repeat the question.

17 Q. Yeah, where does Ripple get the money used to  
18 support these ODL transactions? Through the use of XRP?

19 MR. HECKER: Objection to form,  
04:11 20 foundation.

21 THE WITNESS: Ripple typically pays  
22 market makers in XRP.

23 BY MR. MOYE:

24 Q. As far as you understand, is Ripple using,  
04:12 25 then, its own company resources to pay market makers so

04:12 1 these ODL transactions can happen using XRP?

2 MR. HECKER: Objection to form.

3 THE WITNESS: Ripple, yes, pays market  
4 makers to provide liquidity for ODL

04:12 5 transactions.

6 BY MR. MOYE:

7 Q. Probably not phrasing this right. Is Ripple  
8 paying market makers its own funds or is Ripple getting  
9 money from somewhere else from operations, from  
04:12 10 customers that it can use to make these subsidiaries in  
11 payments?

12 MS. ZORNBERG: Objection to form.

13 MR. HECKER: Objection to form,  
14 foundation.

04:12 15 THE WITNESS: Ripple uses XRP from its  
16 own inventory to pay market makers to provide  
17 quotes for ODL.

18 BY MR. MOYE:

19 Q. Okay. Does Ripple provide market makers with  
04:13 20 instructions about what they can do with the XRP that it  
21 pays them? For instance, does it have restrictions or  
22 is it -- versus funding unrestricted?

23 A. To my knowledge, this funding is  
24 unrestricted.

04:13 25 Q. Okay. Let's move to another topic now.

04:13 1 Let's go to DS Exhibit 19.

2 (Thereupon, a five-page e-mail chain  
3 dated 1/10/20, from Breanne Madigan to  
4 [REDACTED]@ripple.com, Bates Nos. RPLI\_SEC 0502500  
04:13 5 through 0502504 was introduced as DS Exhibit  
6 19 for identification.)

7 BY MR. MOYE:

8 Q. DS Exhibit 19 is a chain of e-mails, top one  
9 is from Breanne Madigan, sent on January 10th, 2020.  
04:14 10 And I would like to direct you to, sort of, the bottom  
11 of the chain of e-mails. So this is the bottom of  
12 page 2, top of page 3.

13 So am I correct that you drafted a number of bullet  
14 points to describe the ODL XRP origination concerns?

04:14 15 A. That's correct.

16 Q. By "concerns," do you mean issues or  
17 questions people have, or do you mean like the process  
18 itself?

19 MS. ZORNBERG: Object to form.

04:14 20 THE WITNESS: Concerns with the program  
21 in general.

22 BY MR. MOYE:

23 Q. Okay, and were these concerns that were  
24 raised at a meeting that you were a part of and you were  
04:15 25 the one deputized or the one asked to step forward and

04:15 1 create these bullet -- create these bullet points?

2 A. I don't know that these were ever actually  
3 delivered to the product team.

4 Q. Fair enough.

04:15 5 But they were creating for the purpose of assisting  
6 the product team with understanding the process?

7 A. That's correct. Drafted with the intention  
8 of informing the product team the markets team's  
9 concerns.

04:15 10 Q. Got it. All right.

11 So you have a bullet point at the top of page 3.  
12 It begins with the words "However, we'd expect." Do you  
13 see that?

14 A. Yep.

04:15 15 Q. Can you read that bullet point, please?

16 A. "However, we'd expect ODL XRP origination at  
17 any significant scale to have a negative impact on XRP  
18 price."

19 Q. What did you mean when you wrote that?

04:16 20 A. Should we clarify what "XRP origination" is?

21 Q. Sure. If that's helpful, please do so.

22 A. Okay. In a typical ODL order flow, a  
23 customer funds an origination exchange with fiat  
24 currency. Let's say Bitstamp is the typical exchange  
04:16 25 that you fund Bitstamp with U.S. dollars. On Bitstamp's



04:16 1 open order book, that -- an ODL transaction purchased  
2 XRP on the order book would move cross-border and at the  
3 destination exchange, you would sell XRP, receiving the  
4 destination currency. XRP origination removed the  
04:16 5 original exchange from the -- from the flow.

6 A customer would initiate a payment that would  
7 leave essentially a commit-to-sell wallet, move across  
8 the ledger and sell directly on the destination exchange  
9 for the destination currency. There was no  
04:17 10 corresponding buy of XRP.

11 In a normal ODL transaction, the net XRP that is  
12 introduced into the market is zero through the payment.  
13 In XRP origination, the amount of XRP that is introduced  
14 into the market is the size of the payment.

04:17 15 Q. Okay. Why does that have a negative impact  
16 on XRP price?

17 A. It is, essentially, a straight sell of XRP  
18 into the market and introduction of fresh XRP supply  
19 into the market.

04:18 20 Q. Okay, can you go down to the next -- to one  
21 of the following bullet points that begins "Programmatic  
22 sales are done with"?

23 A. "Programmatic sales are done with our  
24 liquidators directed to minimize market impact, while  
04:18 25 ODL XRP origination orders are effectively market sell

04:18 1 orders that aggressively hit the open order book."

2 Q. Is that a similar point that you were raising  
3 above?

4 A. Raising above?

04:18 5 Q. About ODL XRP origination at any significant  
6 scale would have a negative impact on XRP price.

7 A. It is a different point.

8 Q. A different point? Okay, and how --

9 What is the final point you're making about "ODL  
04:18 10 XRP may require Ripple to be considered a money  
11 transmitter"?

12 (Pause.)

13 THE WITNESS: I don't recall what I meant  
14 by this.

04:19 15 MR. MOYE: Okay. Just a moment. Let's  
16 look at DS Exhibit 20.

17 (Thereupon, an informal discussion was  
18 held off the record.)

19 (Thereupon, a three-page e-mail chain with  
04:19 20 the top e-mail dated 1/13/20, from Dinuka  
21 Samarasinghe to Ron Will et al. was introduced  
22 as DS Exhibit 21 for identification.)

23 BY MR. MOYE:

24 Q. Let's do DS Exhibit 21. Mr. Samarasinghe,  
04:20 25 what is DS Exhibit 21?

04:20 1 (Pause.)

2 THE WITNESS: It appears that the -- the  
3 draft bullet points that we had just been  
4 discussed were condensed, and before they were  
04:20 5 shared with Asheesh, we shared with Ron Will.

6 BY MR. MOYE:

7 Q. So same concepts, just significantly reduced?

8 A. Condensed.

9 Q. Okay, but this is still your own description  
04:21 10 of the transaction -- the concerns about the  
11 transaction, correct?

12 A. That's correct.

13 Q. Okay, let's look at DS Exhibit 22.

14 (An informal discussion was held off the  
04:21 15 record.)

16 (Thereupon, a 19-page document entitled  
17 "Ripple Liquidity ODL & Market Maker Overview +  
18 Outlook for 2020," bearing Bates Nos. RPLI\_SEC  
19 050375 through 0503593 was introduced as DS  
04:21 20 Exhibit 22 for identification.)

21 MR. MOYE: For the record, DS Exhibit 22  
22 is a "Ripple XRP Liquidity ODL & Market Maker  
23 Overview Plus Outlook for 2020," and it's  
24 dated January of 2020.

25

04:22 1 BY MR. MOYE:

2 Q. Are you familiar with this document?

3 (Pause.)

4 THE WITNESS: Vaguely.

04:22 5 BY MR. MOYE:

6 Q. Were you part of the team that prepared this?

7 A. I -- I prepared portions of this.

8 Q. Okay, who else was involved in preparing  
9 this?

04:22 10 A. Breanne Madigan, [REDACTED].

11 Q. Why was this prepared or who was this  
12 prepared for?

13 A. I -- I do not recall.

14 Q. Do you think it was prepared for internal use  
04:23 15 by Ripple or sharing it with someone outside?

16 MR. HECKER: Objection, foundation.

17 BY MR. MOYE:

18 Q. You can answer.

19 A. I believe it was internal for Ripple.

04:23 20 Q. Internal? And would this be --

21 Do you know whether this was shared with Ripple  
22 executives, senior executives?

23 MS. ZORNBERG: Object to form.

24 THE WITNESS: I don't recall.

25

04:23 1 BY MR. MOYE:

2 Q. You don't recall? Okay.

3 Can you turn over to the page that says "Natural  
4 Liquidity Task Force"?

04:23 5 (Pause.)

6 BY MR. MOYE:

7 Q. Let me know when you're there.

8 A. Yep.

9 Q. Do you see the sentence that says "Currently,  
04:24 10 ODL national liquidity (blue, above) has been steadily  
11 growing in absolute terms, but is barely keeping pace  
12 with growing ODL volumes"?

13 A. Yes.

14 Q. Did you agree with that statement in this  
04:24 15 report?

16 A. Yes.

17 Q. Did you have any part in creating or  
18 formulating or editing that statement?

19 A. I -- I don't recall.

04:24 20 Q. Do you recall whether there's anything in  
21 this report in its final version that you disagreed with  
22 or were uncomfortable with?

23 MR. HECKER: If you need to review it,  
24 you can.

04:24 25 THE WITNESS: Yeah, I would have to look

04:24 1 through the whole thing to see if I agree with  
2 it.

3 BY MR. MOYE:

4 Q. That's not really fair, then. I just meant,  
04:24 5 did you have an independent recollection of this report  
6 and meetings about it and having any problems with what  
7 was in it or how it was presented? I don't need you to  
8 read all the way through it.

9 MS. ZORNBERG: Objection.

04:25 10 THE WITNESS: I don't recall.

11 BY MR. MOYE:

12 Q. Okay. At least, as you sit here today, you  
13 don't recall?

14 A. Yeah.

04:25 15 Q. Okay.

16 MR. HECKER: Same objection.

17 MS. ZORNBERG: You need to give a verbal  
18 answer.

19 THE WITNESS: I don't recall having any  
04:25 20 objection.

21 MR. MOYE: Fair enough. Let's look at  
22 DS Exhibit 23.

23 (Pause.)

24 (Thereupon, a three-page e-mail dated  
04:25 25 3/25/2020, from [REDACTED]@ripple.com to Slack

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04:25 1 Retention] Ripple - : Private" et al., Bates  
2 Nos. RPLI\_SEC 0318645 through 0318647 was  
3 introduced as DS Exhibit 23 for identification.)

4 MR. MOYE: DS Exhibit 23, for the record,  
04:25 5 appears to be a series of Slack messages from  
6 [REDACTED]@ripple.com, dated Wednesday, March 25,  
7 2020.

8 THE WITNESS: Uh-huh.

9 BY MR. MOYE:

04:26 10 Q. And you were one of many recipients listed  
11 here.

12 A. Yes.

13 Q. Who is [REDACTED]?

14 A. [REDACTED]?

04:26 15 Q. Yes.

16 A. He was one of the business development  
17 members of Ripple. He was the primary relationship  
18 point with MoneyGram.

19 Q. Okay, so you're actually -- you're actually  
04:26 20 making a number of these statements, and I don't want to  
21 ask you about all of them, but I did want to ask you  
22 about some of them.

23 You can tell me if I -- if you think I'm wrong, but  
24 it appears to me there was some question about a  
04:26 25 moneymaker running low on Filipino pesos and needing

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04:26 1 some support -- some liquidity support?

2 A. Market maker.

3 Q. A market maker?

4 A. Yes. The market maker was running out of  
04:27 5 Filipino peso.

6 Q. Okay. So please look down to the  
7 third-to-the-last message. It begins "GSR apparently."  
8 What are you sharing with the team here and this message  
9 and the two that followup?

04:27 10 A. Okay. So -- so at this point, the amount of  
11 inventory that our market makers -- basically, I'm  
12 sharing that GSR has an additional Filipino peso that is  
13 available to be sent to the exchange, but it only winds  
14 up being roughly 6.6 hours of Filipino peso.

04:27 15 Q. Okay. Did this secret reserve turn out to be  
16 a benefit here, as far as you can tell?

17 MS. ZORNBERG: Objection inform.

18 BY MR. MOYE:

19 Q. For the market maker?

04:27 20 A. Not necessarily for the market maker, but for  
21 the product we had an additional six and a half hours  
22 before -- you know, six and a half hours' worth of  
23 normal flow that that could be supported.

24 Q. Okay. Turn over to the second page, please.

04:28 25 Again, it looks like the last three comments are by you,



04:28 1 although they're not the only comments you make on this  
2 page.

3 I would like you to read out loud the comment that  
4 begins "We brought up with [REDACTED] -- we brought up with  
04:28 5 [REDACTED]." It's toward the bottom.

6 A. Yeah. "We brought up with [REDACTED] potentially  
7 having emergency funds at an exchange to deliver to  
8 market makers in case we are running low on working  
9 capital. However, this needs to be done as a loan.

04:28 10 While compliance did does not have an issue with this,  
11 given the time frame in which this needs to be approve  
12 and sent out, we are, working through with the finance  
13 team how to operationalize this."

14 Q. Okay, was the subject of these messages, the  
04:29 15 market maker running low, was this something that  
16 occurred with some frequency while you are at Ripple, or  
17 were these unusual occurrences?

18 A. It happened more than once, but it was  
19 unusual.

04:29 20 Q. Okay, and did Ripple have to make any changes  
21 in order to address this problem such as making loans of  
22 emergency funds?

23 (Pause.)

24 THE WITNESS: I don't believe so.

25

04:29 1 BY MR. MOYE:

2 Q. Did you suggest Ripple having emergency funds  
3 in exchange to deliver to market makers when needed?

4 A. That was -- that was an issue that  
04:29 5 Breanne Madigan had raised.

6 Q. Okay, did you agree that should be done or  
7 did you -- were you against that suggestion?

8 A. I was not for that suggestion.

9 Q. Why did you object to it?

04:30 10 MR. HECKER: Objection to form.

11 THE WITNESS: I thought the simplest  
12 method was to increase the working capital  
13 being provided to the market makers so they  
14 had an additional buffer for -- in case a wire  
04:30 15 failed or there was exogenous flow that they  
16 needed to support.

17 BY MR. MOYE:

18 Q. Okay, and was -- was the solution that you  
19 preferred ever implemented?

04:30 20 A. Not directly.

21 Q. Okay, let's go to DS Exhibit 24.

22 (Pause.)

23 (Thereupon, a two-page e-mail dated  
24 3/26/2020, from Dinuka Samarasinghe to [REDACTED]

04:30 25 [REDACTED] et al., Bates Nos. RPLI\_SEC 0492574

04:30 1 through 0492575 was introduced as DS Exhibit 24  
2 for identification.)

3 BY MR. MOYE:

4 Q. Okay, for the record, DS Exhibit 24 appears  
04:31 5 to be a message sent by you on March 26, 2020, to  
6 [REDACTED] and a number of other individuals.  
7 Subject, "XRP sales."

8 Do you see that?

9 A. Yes.

04:31 10 Q. Visually, there's a lot going on here.  
11 There's a lot of numbers and almost every line has a  
12 bullet point, so I'll do the best I can to direct you.  
13 But I'm interested in asking you about Section No. 2,  
14 [REDACTED] sales; and No. 3, [REDACTED] sales.

04:31 15 A. Uh-huh.

16 Q. Okay? So what are you communicating in  
17 Section 2 about [REDACTED] sales?

18 (Pause.)

19 THE WITNESS: I am communicating to this  
04:32 20 team that [REDACTED] purchased different  
21 tranches of XRP of fairly, you know, large  
22 size and directly monetized that -- directly  
23 monetized their discount by selling into the  
24 market.

25

04:32 1 BY MR. MOYE:

2 Q. So this was one of the things we discussed  
3 before, correct?

4 A. That is correct.

04:32 5 Q. Okay, was the issue with [REDACTED]  
6 already over and solved by this time, or is this like a  
7 real-time description of an issue you're having with  
8 [REDACTED]?

9 A. This -- my understanding is that Ripple  
04:33 10 stopped funding [REDACTED] due to a belief that  
11 they violated the spirit of that deal.

12 Q. Okay, and then Section 3, talking about [REDACTED]?

13 A. Uh-huh.

14 Q. I believe that's another issue we talked  
04:33 15 about before?

16 A. That's correct.

17 Q. And was this issue already over and resolved  
18 by the time you wrote this e-mail, or was this one that  
19 was close in time and had just been addressed?

04:33 20 A. I mean, this -- this had been addressed by --  
21 at this point.

22 Q. Okay. Are you saying anything in your e-mail  
23 about how the [REDACTED] sales and the [REDACTED] sales  
24 were accounted for by Ripple?

04:33 25 MS. ZORNBERG: Objection.

04:33 1 BY MR. MOYE:

2 Q. For instance, whether they were OTC sales or  
3 something else?

4 MS. ZORNBERG: Objection.

04:33 5 MR. HECKER: Objection to the form.

6 THE WITNESS: I do not believe so.

7 BY MR. MOYE:

8 Q. Okay, and was everything that was in this  
9 update correct at the time you wrote it, as far as you  
04:34 10 know?

11 A. As far as I know.

12 Q. Okay, let's look at DS Exhibit 25.

13 (Thereupon, a two-page e-mail chain with  
14 the top e-mail dated 3/29/2020, from Dinuka  
04:34 15 Samarasinghe to [REDACTED] et al., Bates Nos.  
16 RPLI\_SEC 0479912 through 0479913 was introduced  
17 as DS Exhibit 25 for identification.)

18 MR. MOYE: So for the record,  
19 DS Exhibit 25 is a series of messages, and the  
04:34 20 top message from Dinuka Samarasinghe on  
21 March 29th, 2020, to [REDACTED] and several  
22 other individuals. The subject is "XRP sales  
23 impact analysis."

24 BY MR. MOYE:

04:34 25 Q. So Mr. Samarasinghe, am I correct that part


04:35 1 of this exhibit that you wrote is at the very top, and  
2 then the other parts were principally drafted by the  
3 other individuals on this e-mail chain?

4 (Pause.)

04:35 5 THE WITNESS: That's my understanding,  
6 yeah.

7 BY MR. MOYE:

8 Q. Okay. What I would like to ask you is:

9 On the second page, in the series of numbered  
04:35 10 paragraphs, are the responses by you that have been  
11 typed into some of these paragraphs, so issues raised  
12  -- when you wrote your reply --

13 Do you see at the bottom you said "A few thoughts  
14 inline below"?

04:35 15 (Pause.)

16 BY MR. MOYE:

17 Q. Are any of the portions of the numbered  
18 paragraphs, 1 through 6, written by you? Just let me  
19 ask you about a few sentences, okay, and you can tell me  
04:36 20 whether you think it's drafted by you or not.

21 In paragraph No. 2, did you write any part of this,  
22 including the sentence that begins "Past sales" or "It's  
23 kind of like a snowball effect"?

24 A. No, I did not.

04:36 25 Q. Okay. Do you recognize whether those are

04:36 1 inline comments created by someone else?

2 A. I have no way of telling.

3 Q. Okay. Did you write any part of paragraph 3  
4 as a comment on something that someone else had written,  
04:36 5 including "While I have long hoped that Ripple would  
6 restrict"?

7 (Pause.)

8 THE WITNESS: I don't -- I don't know,  
9 offhand.

04:37 10 BY MR. MOYE:

11 Q. Okay, could be, could not be, you don't know  
12 one way or the other?

13 A. I -- it appears that there was a change of  
14 tone and language, starting with "While."

04:37 15 Q. Okay, all right. Let's move on to  
16 paragraph 4. Same question here. Is there any part of  
17 paragraph 4 that you wrote as a comment, including but  
18 not limited to, the phrase "This has long been a fear of  
19 Miguel and mine"?

04:37 20 (Pause.)

21 THE WITNESS: Yeah. I mean, these  
22 gentleman and [REDACTED] did not have much  
23 interaction with Miguel, so I don't know that  
24 they would have a shared fear.

25

04:38 1 BY MR. MOYE:

2 Q. Okay, so this -- you think this is likely  
3 part of a comment that you inserted here?

4 A. It's likely, yes.

04:38 5 Q. Okay, so if you can't be sure about whether  
6 it was, let me just ask you if there's anything about  
7 paragraph 4 you grow or disagree with? So the first  
8 sentence, "We found little correlation with XRP price  
9 and the performance of the XRP/BTC ratio under different  
04:38 10 selling pressures."

11 In March of 2020, do you remember whether you would  
12 have agreed or disagreed with that statement?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: Could you repeat your  
04:38 15 question?

16 BY MR. MOYE:

17 Q. Let me just give you the substance of it.

18 Do you agree or disagree -- as of March 2020, do  
19 you think you agreed or disagreed with the observation  
04:39 20 that the performance of XRP and BTC ratio -- actually,  
21 that's a terrible question. I apologize for that. Let  
22 me ask you a different one.

23 How about agree or disagree with this statement:

24 A large amount of XRP sold at a low price, could  
04:39 25 push XRP "over a cliff"?



04:39 1 (Pause.)

2 THE WITNESS: I believe that I would have

3 held that opinion.

4 BY MR. MOYE:

04:39 5 Q. Okay, same period of time, March 2020. Would

6 you have agreed with this statement:

7 It appears that maybe selling Ripple now might

8 actually be the proverbial straw that broke the camel's

9 back three months down the road when XRP is lurching

04:39 10 lower in a negative macro environment"?

11 MS. ZORNBERG: Objection.

12 (Pause.)

13 THE WITNESS: Yes, I believe I would have

14 shared that opinion in March of 2020.

04:40 15 BY MR. MOYE:

16 Q. So even if you didn't type it out, you think

17 you would have shared that opinion?

18 A. Yes.

19 Q. Okay, and how about the next sentence? "XRP

04:40 20 might become a downhill boulder which is impossible to

21 stop without buying XRP."

22 MS. ZORNBERG: Objection.

23 BY MR. MOYE:

24 Q. You can answer.

04:40 25 A. In March of 2020, I would have believed that

04:40 1 statement.

2 Q. Okay.

3 MS. ZORNBERG: Sorry?

4 THE WITNESS: I would have believed that

04:40 5 statement.

6 BY MR. MOYE:

7 Q. All right. Let's put DS Exhibit 25 aside.

8 Let's look at 26.

9 MR. HECKER: Is there no Bates on this?

04:41 10 MR. MOYE: Actually, there's not.

11 THE WITNESS: No what?

12 MR. HECKER: No stamp on it.

13 (Pause.)

14 MS. ZORNBERG: Can you make a proffer on

04:41 15 the source of the document?

16 MR. MOYE: Unfortunately, I'm not the guy

17 to ask. We'll try. Okay?

18 (Thereupon, one-page e-mail dated

19 4/8/2020, from [REDACTED] to Breanne

04:41 20 Madigan et al., "Subject: Bitso Update" was

21 introduced as DS Exhibit 26 for

22 identification.)

23 BY MR. MOYE:

24 Q. So let's look at this un-Bates document, what

04:41 25 we've marked as DS Exhibit 26, sent on Wednesday,

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04:41 1 April 8, 2020. "Subject: Bitso Update," from  
2 [REDACTED] to several individuals at a  
3 Ripple, including yourself.

4 So I would like to ask you about the third  
04:42 5 paragraph in this message, the one that begins with "One  
6 favor I would like to ask of you."

7 A. Uh-huh.

8 Q. Without reading the paragraph into the  
9 record, could you summarize it? What exactly is the  
04:42 10 request here from [REDACTED]?

11 A. Well, [REDACTED] is asking that Ripple  
12 provide data to compare the relative share of volume  
13 captured by different market makers on different  
14 corridors.

04:42 15 Q. Okay. So specifically the last sentence,  
16 what is he --

17 What is he saying there or what problem or issue is  
18 he trying to avoid?

19 MR. HECKER: The last sentence of the  
04:42 20 third paragraph?

21 MR. MOYE: Yes.

22 MS. ZORNBERG: Object to form.

23 MR. HECKER: I object -- I also object to  
24 the form of the question.

25

04:43 1 BY MR. MOYE:

2 Q. Okay. If you can tell --

3 Can you tell what problem or issue he is trying to  
4 avoid, if he's able to get the data that he's requested  
04:43 5 from Ripple?

6 MR. HECKER: Same objection.

7 BY MR. MOYE:

8 Q. You can answer.

9 (Pause.)

04:44 10 THE WITNESS: Okay. Sorry.

11 I think discussed earlier how part of the  
12 initial deals for ODL market makers was to try  
13 to generate national liquidity.

14 Part of the way we did this was to have  
04:44 15 market makers calculate essentially a  
16 reference price. You know, I think we talked  
17 about a reference price for Dollar MX, right,  
18 using the intra-bank rate or published by

19 [REDACTED]

04:44 20 Now, the rate for XRP MXN was  
21 triangulated or calculated by the reference  
22 price, so they would take the USD MXN price  
23 given by, say, [REDACTED], multiplied it by the  
24 XRP USD price on the reference exchange for  
04:45 25 that pair, and they would come up with an XRP

04:45 1 MXN price that is essentially giving buy rate  
2 derived from the intra-bank rate.

3 One of the ways we would grow natural  
4 liquidity is to ensure that the market makers  
04:45 5 did not quote too tight in the order books,  
6 ultimately allowing for -- so ODL orders would  
7 be essentially aggressive orders going into  
8 that market and we wanted to leave room for  
9 market participants to step in front of our  
04:45 10 market makers to grow liquidity on the order  
11 books, natural liquidity in a sustainable  
12 fashion to intercept those orders.

13 BY MR. MOYE:

14 Q. Okay.

04:45 15 A. So in this case, [REDACTED] believed they  
16 were quoting at as tight as we prescribed them the -- on  
17 the open order books, but they believed the other market  
18 maker was essentially tighter than them and capturing --  
19 and leaving them with a very low share on that order  
04:46 20 book.

21 MR. MOYE: Okay. Thank you.

22 For the record, we believe that this  
23 document was produced by [REDACTED], and the  
24 e-mail is SEC [REDACTED] E-0047964.

04:46 25 (Thereupon, an eight-page e-mail chain

04:46 1 with the top e-mail dated 4/15/20, from Dinuka  
2 Samarasinghe to [REDACTED] et al. was introduced  
3 as DS Exhibit 27 for identification.)

4 BY MR. MOYE:

04:46 5 Q. Let's look at DS Exhibit 27. For the record,  
6 DS Exhibit 27 is a message from  
7 [REDACTED]@Ripple.com sent April 15th, 2020 to  
8 [REDACTED]@Ripple.com. "Subject: XRP correlation  
9 plots - Invitation to edit."

04:47 10 So am I correct this message includes not just one  
11 but a whole series of analyses that you performed for  
12 [REDACTED]?

13 A. Yes, sir.

14 Q. Okay, and in general, what is the focus or  
04:47 15 the -- or the thing that you were asked to study, the  
16 Ripple that you were asked to compare?

17 A. In general, it's not necessarily a  
18 comparison. [REDACTED] wanted a crash course on XRP.

19 Q. They are called "correlation plots," right?

04:48 20 A. Yes. So if you see certainly do XRP 60-day  
21 correlation with Bitcoin and a top cryptos later.

22 Q. Okay, so the first --

23 The first plot in correlation with Bitcoin and a  
24 second plot is the 60-day correlation versus other top  
04:48 25 cryptos, right?

04:48 1 A. Correct.

2 Q. Would that include Bitcoin or not?

3 A. I believe so.

4 Q. All right. At the time you prepared this and  
04:48 5 sent it to [REDACTED], did you think your analysis was  
6 correct?

7 A. Yes.

8 Q. Did you think it was helpful to her  
9 understanding or was this something she didn't really  
04:48 10 need to be concerned about?

11 MR. HECKER: Objection to form.

12 THE WITNESS: She appeared to have  
13 appreciated it.

14 BY MR. MOYE:

04:49 15 Q. And what was her role within Ripple at this  
16 time?

17 A. She had moved from being a board member to  
18 being a special adviser to Brad Garlinghouse.

19 Q. Okay. So did you view your information to  
04:49 20 her as being background or things that would also inform  
21 Mr. Garlinghouse?

22 A. I did not necessarily consider it  
23 informational to Brad. I felt it was more bringing [REDACTED]  
24 up to speed.

04:49 25 Q. Okay. All right. Let's look at

04:49 1 DS Exhibit 28.

2 (Thereupon, a four-page e-mail chain with  
3 top e-mail dated 5/29/2020, from [REDACTED]  
4 [REDACTED] et al. was introduced as DS Exhibit  
04:49 5 28 for identification.)

6 BY MR. MOYE:

7 Q. So this is several pages of messages, but the  
8 only e-mail I'm asking you about is the one on the first  
9 page, the one you sent to [REDACTED].

04:50 10 So, for the record, DS Exhibit 28 is a copy of a  
11 message from Dinuka Samarasinghe dated May 29th, 2020 to  
12 [REDACTED] and several other individuals at Ripple.

13 "Subject, XRP inflation stats - error?"

14 Are you familiar with this e-mail?

04:50 15 A. Yes.

16 Q. Okay. Can you tell me generally what your  
17 purpose was or what you were hoping to communicate in  
18 sending this e-mail?

19 A. There was a report by [REDACTED] [phonetic],  
04:50 20 which is a -- it's a website that produces data and  
21 analysis on the digital asset markets they were claiming  
22 that XRP's inflation rate was significantly higher than  
23 that of other top digital assets.

24 The communications team, the Comms team wanted to  
04:51 25 discuss that with the market team to craft -- to



04:51 1 potentially craft a response.

2 Q. So the information you're providing you  
3 thought might be used for a public response on behalf of  
4 Ripple?

04:51 5 A. No. The information I provided was to  
6 educate the comms team how at least I viewed XRP  
7 inflation rate.

8 Q. Okay. We've talked about XRP inflation rate  
9 before.

04:52 10 Can you tell me what is meant by your first bullet  
11 point, the sales numbers that Ripple reported for Q1 are  
12 at a [REDACTED] percent discount?

13 A. In historical markets reports, quarterly  
14 markets reports, Ripple provided XRP sales announced in  
04:52 15 U.S. dollars. Historically, I believe that had been a  
16 decent proxy of XRP that was distributed into the  
17 market, given they were programmatic and without a  
18 discount. Or, in the case of, say, [REDACTED],  
19 not -- still a decent-sized discount, but not a  
04:52 20 [REDACTED] percent discount.

21 Q. Okay. All right.

22 A. My point here is the sales numbers that  
23 Ripple continue -- that -- that -- the sales numbers  
24 that Ripple reported were still in USD amounts, but they  
04:53 25 were no longer what I believed to be a good proxy of the

04:53 1 XRP that was introduced into the market.

2 Q. Is another way of saying that that you  
3 thought the numbers Ripple was reporting were not  
4 accurate?

04:53 5 MR. HECKER: Objection to form,  
6 mischaracterizes his testimony.

7 THE WITNESS: No, I -- the sales numbers  
8 were accurate. I --

9 I believe they were not a good  
04:53 10 representation of the XRP that was introduced  
11 into the market.

12 BY MR. MOYE:

13 Q. Okay. So the second bullet point:

14 "These reports are not counting just XRP sales from  
04:53 15 Ripple, but all XRP distributions from Ripple and its  
16 founders and they do not count what is currently held by  
17 founders, option holders, early investors, etc. as part  
18 of the free float." What do you mean by that?

19 A. This goes back to how do you actually  
04:53 20 calculate inflation rate for XRP. Now, you could count  
21 it as, say -- you could imply it as you could from  
22 [REDACTED] data that XRP's inflation rate is just  
23 that which leaves Ripple's inventory.

24 [REDACTED] would calculate it differently, counting  
04:54 25 distributions from founders, foundations, early

04:54 1 investors and -- and Ripple. [REDACTED] calculation  
2 included -- [REDACTED] calculation did not include  
3 founders as part of circulating supply, so any  
4 distribution from founders would have been considered  
04:54 5 part of the inflation rate --

6 Q. Okay.

7 A. -- under [REDACTED] calculation.

8 Q. And then the third bullet point says "While  
9 we can push back on the sales numbers."

04:54 10 Whose sales numbers are you referring to there?

11 A. Ripple XRP sales numbers.

12 Q. Okay. "Our sales numbers are not a good  
13 proxy from XRP put into the market by Ripple. On  
14 pushing back on sales numbers, we are at risk at  
04:55 15 damaging our credibility."

16 Who is the "we" you're referring to there? Is it  
17 Ripple itself or the sales -- the XRP markets team  
18 within Ripple?

19 A. It's if --

04:55 20 It's basically if the communications team pushes  
21 back on the sales numbers as reported by that, I felt  
22 that could be damaging to Ripple's creditability.

23 (Thereupon, a thirteen-page document

24 entitled "XRP-O Supply Concerns," Bates Nos.

04:55 25 RPLI\_SEC 0301743 through 0301755 was introduced

04:55 1 as DS Exhibit 29 for identification.)

2 BY MR. MOYE:

3 Q. All right. Let's look at DS Exhibit 29.

4 THE WITNESS: Do you mind if I have a  
04:56 5 bathroom break?

6 MR. MOYE: Sure. Let's take a break.

7 THE VIDEOGRAPHER: This will conclude  
8 Video 4 in the deposition of  
9 Dinuka Samarasinghe.

04:56 10 We're going off the record at 4:56 p.m.,  
11 June 9th, 2021.

12 (Recess taken at 4:56 p.m.)

13 (Resumed at 5:03 p.m.)

14 THE VIDEOGRAPHER: This is the beginning  
05:03 15 of Video No. 5 in the deposition of  
16 Dinuka Samarasinghe.

17 We are on the record at 5:03 p.m.,  
18 June 9th, 2021.

19 BY MR. MOYE:

05:03 20 Q. Mr. Samarasinghe, could you please take a  
21 look at what's been marked as DS Exhibit 29?

22 A. Yes, sir.

23 Q. Do you recognize it?

24 (Pause.)

05:04 25 THE WITNESS: I have a vague recollection

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05:04 1 of this.

2 BY MR. MOYE:

3 Q. Okay, so for the record, this is a document  
4 entitled "XRP-O Supply Concerns."

05:04 5 There's no dates that you can see on the first  
6 couple of pages. Were you -- do you know who created  
7 this report?

8 A. If I recall correctly, it was Breanne -- a  
9 combination of Breanne Madigan, [REDACTED] and

05:04 10 [REDACTED].

11 Q. Okay. Were you involved in the editing or  
12 review of this report at all?

13 A. I don't recall.

14 Q. Okay. Do you know who this was prepared for?

05:05 15 A. I don't know.

16 Q. And do you know whether it was presented to  
17 anyone?

18 A. I believe it was presented.

19 Q. Okay. Do you know who it was presented to?

05:05 20 A. I do not.

21 Q. All right. Let's open up to the first page,  
22 the one that says "Three Potential Narratives."

23 Do you know what is meant by these different  
24 narratives? Are these competing narratives within

05:05 25 Ripple or is this three independent things that are all

05:05 1 potentially true?

2 A. These are competing narratives.

3 Q. Okay, and it indicates:

4 "For the purpose of the presentation," the  
05:05 5 assumption -- the operating assumption will be Narrative  
6 3, right?

7 MS. ZORNBERG: Objection.

8 BY MR. MOYE:

9 Q. Is that what it says?

05:06 10 A. Yes. The last line says:

11 "For the purposes of this presentation, we will  
12 assume Narrative 3 while we continue to investigate  
13 further."

14 Q. All right, so let's just go to the executive  
05:06 15 summary. I -- I understand your answers may come with a  
16 caveat that you didn't write this and you weren't at the  
17 meeting when it was presented, so let me just ask you if  
18 in --

19 MR. HECKER: I think he said he doesn't  
05:06 20 know if it was presented.

21 MR. MOYE: All right.

22 BY MR. MOYE:

23 Q. You don't know if it was presented, but you  
24 certainly weren't at any meeting when it was presented?

05:06 25 A. Correct.

05:06 1 Q. Okay. So let's just look at the executive  
2 summary page.

3 While you were employed at Ripple, would you have  
4 agreed with the statement in the first bullet point that  
05:06 5 "XRP began underperforming BTC since the BTC halving in  
6 early May -- and underperformance has accelerated with  
7 the launch of XRP-O"?

8 A. I would have agreed with that statement.

9 Q. Okay. While you were at Ripple, would you  
05:07 10 have agreed with the second bullet point, that "XRP  
11 selling via XRP-O has led to negative pressure on XRP"?

12 A. I would have agreed with that statement as  
13 well.

14 Q. And would you agree with the third bullet  
05:07 15 point, "Market -- Financial/Markets teams have been  
16 focused on a number of supply limiting tactics"?

17 (Pause.)

18 THE WITNESS: I don't know what "focused"  
19 means here in this context, but we certainly  
05:07 20 had been discussing supply limiting.

21 BY MR. MOYE:

22 Q. You had been exploring supply limiting  
23 tactics?

24 A. Yes.

05:07 25 Q. While you were at XRP, do you know whether

05:07 1 Ripple had implemented any supply-limiting tactics?

2 MS. ZORNBERG: Objection.

3 MR. HECKER: Objection to form. You said

4 "XRP."

05:08 5 MR. MOYE: Okay. I'm sorry.

6 It's getting to be a long day for

7 everybody. Let me try this again.

8 BY MR. MOYE:

9 Q. While you were at Ripple, do you know whether  
05:08 10 any of the supply-limiting tactics that had been  
11 discussed had actually been implemented by Ripple?

12 A. Yes.

13 Q. What had been implemented by Ripple?

14 A. XRP purchases in the open market.

05:08 15 Q. Okay. So while you were at Ripple, would you  
16 have agreed with the last bullet point, that XRP-O  
17 repurchasing could directly dampen the effects of XRP-O  
18 selling?

19 A. I would have believed that statement, yes.

05:08 20 Q. Okay. Let's turn over to the next page.  
21 There's a number of bullet points here. I want to ask  
22 you about the last one.

23 While you were at Ripple, would you have agreed  
24 with the following statement? "There is evidence that  
05:08 25 XRP underperform mansion may be due to increased



05:09 1 supply."

2 A. I would have agreed with that statement.

3 Q. And let's turn over a few pages to the slide  
4 or page that says "Currency XRP supply reduction  
05:09 5 tactics."

6 Without asking you to read the slide, the question  
7 is: While you were at Ripple, were you aware of certain  
8 supply reduction tactics that Ripple was implementing  
9 that were not visible to market players but more behind  
05:09 10 the scenes?

11 (Pause.)

12 THE WITNESS: I recall there were efforts  
13 to do -- to -- or at least discussions about  
14 this.

05:10 15 BY MR. MOYE:

16 Q. Okay. Turn over the recommendation page,  
17 please, the one that says "Recommendation, XRP  
18 buybacks."

19 While you were at Ripple, do you know whether  
05:10 20 Ripple employees ever made a recommendation that to  
21 begin XRP buybacks and limit XRP-O supply?

22 So again, not merely as a discussion, but as a  
23 formal recommendation?

24 MS. ZORNBERG: Object to form.

05:10 25 THE WITNESS: Yes, I believe that

05:10 1                   happened, yes.

2 BY MR. MOYE:

3           Q.     Okay, and what was the result of those  
4 recommendations, as far as you knew?

05:10 5           A.     The result was Ripple partnered with a market  
6 maker to conduct open market purchases of XRP.

7           Q.     Those would be the buybacks, then?

8           A.     Correct.

9           Q.     Okay. Did it also limit the supply of XRP-O?

05:11 10          A.     I don't recall.

11          Q.     Okay. All right. Put aside DS Exhibit 29.

12                   (Thereupon, a four-page e-mail dated

13                   6/24/2020, from [REDACTED]@ripple.com to

14                   [REDACTED]@ripple.com et al., Bates RPLI\_SEC 0504550

05:11 15                   through 0504553 was introduced as DS Exhibit 30  
16                   for identification.)

17 BY MR. MOYE:

18          Q.     Let's look at DS Exhibit 30. For the record,

19 DS Exhibit 30 appears to be a series of messages on

05:11 20                   slack retention sent June 24th, 2020 by Mr. Samarasinghe  
21                   to a number of individuals at Ripple.

22          Okay. First question is: Do you know whether

23 these messages had anything -- are they related at all

24 to the DS Exhibit 29, the deck that we just looked at?

05:12 25                   MR. HECKER: Objection to form.

05:12 1 MR. MOYE: I will try to ask it  
2 differently.

3 BY MR. MOYE:

4 Q. Do any of these messages from you in  
05:12 5 DS Exhibit 30 appear to be edits or comments that you  
6 made when you reviewed DS Exhibit 29 at Ripple?

7 A. I believe that's correct.

8 Q. Okay, and do you know whether these comments  
9 were made before DS Exhibit 29 was finalized or whether  
05:12 10 they were -- whether you were looking at a final report?

11 A. I don't -- I don't recall.

12 Q. Okay. Please look at the third message down.  
13 Did you send a message:

14 "So, seems like CL/BG are concerned about XRP  
05:13 15 underperformance since XRP started"?

16 A. Question mark, yes.

17 Q. Okay. If you go down to about the middle of  
18 the page, there's a statement by you:

19 "The problem here is there's no offset buy of XRP  
05:13 20 anywhere." Do you see that?

21 A. Yes.

22 Q. Is that a statement you made?

23 A. Yes, it is.

24 Q. Could you explain that, provide a little  
05:13 25 context? What is it you were trying to communicate at

05:13 1 this point?

2 A. I think we had discussed the difference  
3 between ODL and XRP origination or the XRP origination  
4 subset of ODL.

05:13 5 Regular ODL had an open market buy of XRP at the --  
6 at the origination exchange and XRP-O did not. It was  
7 purely a sale of XRP into the open market.

8 Q. So one increased the supply and the other did  
9 not?

05:14 10 A. Correct.

11 Q. All right. Could you go down to the  
12 third-to-last comment, which reads:

13 "But, then it again has zero economic benefit to  
14 Ripple and still only introduces supply." Do you see  
05:14 15 that?

16 A. Yes.

17 Q. Can you explain or provide some context as to  
18 what you meant by that comment?

19 (Pause.)

05:15 20 THE WITNESS: Okay. I -- I was  
21 expressing a concern that with XRP  
22 origination, Ripple would sell XRP into the  
23 market, achieve tax base of on that amount of  
24 XRP. So let's say it was \$100 of XRP  
05:15 25 introduced into the market.

05:15 1                   Let's say Ripple had incurred basis of  
2                   20 percent. Ripple would then have \$80 to buy  
3                   back XRP. If Ripple used the full \$80 it had  
4                   post-tax burden, post-basis, it would have  
05:16 5                   zero economic benefit to Ripple and still  
6                   increase supply by essentially the amount  
7                   attached.

8 BY MR. MOYE:

9           Q.     So it couldn't buy back the full amount; is  
05:16 10           that what you were saying?

11          A.     That was my concern.

12          Q.     Okay, and the second-to-last statement:

13                "I've been told to keep my head down about this, so  
14           I don't want to keep on about this." What are you  
05:16 15           referring to there?

16          A.     I was a vocal opponent within Ripple to XRP  
17           origination and ... essentially scolded to get on the  
18           same page as everybody else.

19          Q.     To get on board?

05:16 20          A.     Yep.

21          Q.     Okay, and who do you think --

22                What was your impression who had the biggest  
23           problem with your concerns or objections about XRP  
24           origination?

05:16 25                       MR. HECKER: Object to the form of the

05:16 1 question.

2 BY MR. MOYE:

3 Q. If you know?

4 A. Asheesh Birla.

05:17 5 Q. Asheesh Birla? Okay. Anyone else?

6 A. I recall comments from [REDACTED], also on  
7 the product team.

8 Q. Okay. Was it your impression that  
9 Ms. Madigan shared your concerns or you think she merely  
05:17 10 heard your concerns and continued on with whatever she  
11 needed to do?

12 MR. HECKER: Objection to form.

13 THE WITNESS: I don't know.

14 BY MR. MOYE:

05:17 15 Q. Okay. So I know you're making a general  
16 point. What do you recall about why you were scolded or  
17 disagreed with or reprimanded about your comments about  
18 XRP-O?

19 What was the objection that Mr. Birla or others had  
05:17 20 to your comments?

21 MS. ZORNBERG: Objection.

22 BY MR. MOYE:

23 Q. As far as you know?

24 A. It was communicated to me that XRP  
05:18 25 origination was approved at the highest levels and that

05:18 1 we were going to do it.

2 Q. Okay. Would it be fair to say that at least  
3 as far as you knew, that was the program, but you didn't  
4 know whether anyone had actually considered or addressed  
05:18 5 your specific objections?

6 MS. ZORNBERG: Objection,  
7 mischaracterizes his prior statements today.

8 (Thereupon, an informal discussion was  
9 held off the record.)

05:18 10 THE WITNESS: Could you restate the  
11 question?

12 BY MR. MOYE:

13 Q. Yeah. Without characterizing anything you  
14 said previously, I'm asking you a different question.

05:18 15 Was it your impression that your objections were  
16 not being considered and fairly responded to?

17 MS. ZORNBERG: Objection.

18 THE WITNESS: I have no idea whether or  
19 not my objections were considered.

05:19 20 BY MR. MOYE:

21 Q. No one came to you and said, "We've done a  
22 different calculation, and it looks like you're wrong";  
23 is that correct?

24 MS. ZORNBERG: Objection.

05:19 25 THE WITNESS: Correct.

05:19 1 BY MR. MOYE:

2 Q. All right. Can you turn to the second page,  
3 please? So towards the bottom of second page, there's  
4 some comments, it looks like, from Ms. Madigan, and then  
05:19 5 you respond. You have the next four responses.

6 Can you tell me what your -- what you -- what your  
7 responses to Ms. Madigan were? What is it you were  
8 trying to communicate?

9 MR. HECKER: I'm sorry. Which -- which  
05:19 10 one --

11 BY MR. MOYE:

12 Q. Page 2: "I don't get why Bitso" and ending  
13 with "they are just selling elsewhere."

14 A. Yeah, so why -- I was questioning the need to  
05:20 15 buy back on Bitso. The MXRP and order book XRP  
16 origination, right, is we were essentially selling --  
17 XRP origination payment, essentially sold XRP to market  
18 makers we had on those order books to resell the -- to  
19 basically source local fiat.

05:20 20 Again, on that exchange they had to take that XRP,  
21 move it across ledger, sell that XRP for U.S. dollars  
22 and then do a foreign exchange rate conversion using the  
23 traditional rails to deposit back MXN on Bitso. Bitso  
24 had much lower liquidity than other order books.

05:21 25 In my opinion, the selling pressure was happening

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05:21 1 elsewhere, not on Bitso. Purchasing back on Bitso would  
2 have just cost more, because it's much, much, much less  
3 liquid exchange. You would have to cross a much larger  
4 spread.

05:21 5 The liquidity on the order book was much less. You  
6 would have to go through the order book to buy -- you  
7 know, anywhere close to that. That was being sold via  
8 ODL.

9 Q. Among your colleagues at Ripple, who do you  
05:21 10 think had the best understanding about how markets  
11 worked? In your own opinion, of course.

12 A. Miguel Vias.

13 Q. Anyone else?

14 (Pause.)

05:22 15 BY MR. MOYE:

16 Q. You have to say "yes" or "no."

17 A. I don't think Miguel -- I don't think anybody  
18 else on that team had markets knowledge like  
19 Miguel Vias.

05:22 20 Q. Besides Mr. Vias, do you think your other  
21 colleagues at Ripple had as much knowledge about the  
22 markets as you did?

23 MS. ZORNBERG: Objection.

24 THE WITNESS: I had a long trading  
05:22 25 history. Ripple was primarily staffed by

05:22 1 software people and -- you know. There were a  
2 few other people with markets experience.

3 BY MR. MOYE:

4 Q. Okay. Looking back now, did any of the  
05:22 5 things that at Ripple you thought were concerns that you  
6 tried to raise objections to or tried to implement  
7 changes -- did any of those changes end up coming to pass  
8 in the way you feared or the way you predicted?

9 MS. ZORNBERG: Objection to the form.

05:23 10 MR. HECKER: Objection to the form.

11 BY MR. MOYE:

12 Q. You can answer.

13 A. I think the markets team did a good job in  
14 terms of neutralizing the biggest threats.

05:23 15 Q. Okay. Let's look at DS Exhibit 31.

16 (Thereupon, one-page e-mail dated  
17 8/25/2020, from Dinuka Samarasinghe to  
18 [REDACTED]@ripple.com was introduced as DS  
19 Exhibit 31 for identification.)

05:23 20 MR. MOYE: For the record, DS Exhibit 31  
21 is a one-page exhibit, a one-page document.  
22 It's a message from Mr. Samarasinghe, sent on  
23 August 25th, 2020 to [REDACTED]@ripple.com.  
24 "Subject: Q3 XRP Narrative."

05:24 25 BY MR. MOYE:

05:24 1 Q. This appears to be a portion of a comment  
2 document or a single document that was made, and can  
3 you --

4 Just looking at the first -- can you look at the  
05:24 5 comment after you've had a chance to look at them and  
6 let me know that you've done that?

7 (Pause.)

8 THE WITNESS: Yep.

9 BY MR. MOYE:

05:25 10 Q. Okay. In the second paragraph or second  
11 portion of your comment, what is it you're trying to  
12 communicate there?

13 MS. ZORNBERG: Just for clarity, is it  
14 the paragraph that starts "I.E. as in  
05:25 15 increasing share"?

16 MR. MOYE: Yes, it is. Thank you.

17 THE WITNESS: I think that paragraph  
18 essentially mirrors the demand case for XRP in  
19 the eyes of Miguel Vias and myself.

05:25 20 BY MR. MOYE:

21 Q. Okay. This is another phrasing of  
22 conversations or discussions that you'd had within  
23 Ripple from time to time?

24 MS. ZORNBERG: Objection to form.

05:25 25 THE WITNESS: Within Ripple, certainly

05:25 1           between Miguel and myself. I don't know that  
2           it was necessarily discussed or understood  
3           broader.

4 BY MR. MOYE:

05:25 5           Q.     Okay. You sent this message to Ms. Madigan.  
6           Does that mean Mr. Vias was gone by that time?

7           A.     I believe so, yes.

8           Q.     As you look at second part of the comment,  
9           the paragraph that you just looked at, is there anything  
05:26 10          in there that you now disagree with or have come to  
11          think is incorrect?

12                   MS. ZORNBERG: Objection.

13                   THE WITNESS: Yes.

14 BY MR. MOYE:

05:26 15          Q.     What?

16          A.     You know, I think this kind of goes towards  
17          my objection of the architecture of ODL using unreliable  
18          third-party exchanges in destination countries.

19          I found it very hard to believe that liquidity  
05:26 20          would aggregate for XRP in these -- you know, in  
21          essentially low quality exchanges in third world  
22          countries.

23          Q.     By "liquidity," do you mean natural  
24          liquidity?

05:26 25          A.     Natural liquidity, yes.

05:27 1 Q. All right. Well, how is that different or  
2 how is that a disagreement with what you've said here?

3 A. You know, it's actually -- I don't know that  
4 IT'S disagreement with what I have there. I mean, at  
05:27 5 this point, I had been --

6 Along with a member of the Icelandic engineering  
7 team, we had been proposing the building of essentially  
8 an XRP-centric foreign exchange -- FX exchange.

9 Q. Okay. All right. We can put DS Exhibit 31  
05:27 10 aside. Let's look at DS Exhibit 32.

11 (Thereupon, a two-page e-mail dated  
12 11/21/2020, from [REDACTED]@ripple.com to  
13 [REDACTED]@ripple.com, Bates Nos. RPLI\_SEC 0318653  
14 through 03180318654 was introduced as DS  
05:27 15 Exhibit 32 for identification.)

16 BY MR. MOYE:

17 Q. Okay. You can take a minute to look over  
18 this -- this document. For the record, DS Exhibit 32 is  
19 a two-page document.

05:28 20 This message is from [REDACTED]@ripple.com, sent  
21 Saturday, November 21, 2020. It's a set of slack  
22 messages to a number of individuals, including  
23 Mr. Samarasinghe.

24 (Pause.)  
25

05:28 1 BY THE WITNESS:

2 Q. At the bottom of first page -- toward the  
3 bottom, there's a comment by [REDACTED] I'm  
4 probably saying that wrong. What's the proper  
05:29 5 pronunciation?

6 A. I don't actually know. [REDACTED]? I  
7 don't know.

8 Q. Okay. Let's call him [REDACTED]

9 A. Okay. [REDACTED].

05:29 10 Q. Is that his first name?

11 A. Yes, sir.

12 Q. [REDACTED]'s comment is "Likely that market  
13 makers" -- it says:

14 Guys, got a quick question on what this means for  
05:29 15 you. Likely that market makers will ask to drawdown  
16 more of their lease. What was our termination fee for  
17 contract set at? If we close to delta one now, should  
18 we be looking to hedge our downside?"

19 Then [REDACTED] responds:

05:29 20 "Great questions," he asks you,  
21 "[REDACTED]@ripple." Do you see that?

22 A. Yes.

23 Q. Okay. So starting on the second page where  
24 you have actual messages written out, what is it that  
05:30 25 you're telling him?

05:30 1           What is it you think this movement in price -- what  
2 implications will that have for market makers and a  
3 potential drawdowns of their leases?

4                       MS. ZORNBERG: Objection to form.

05:30 5                       (Pause.)

6                       THE WITNESS: The -- okay, so the --  
7 I mentioned there was an initial set of  
8 ODL contracts following [REDACTED] arrival and  
9 sort of her team negotiated different market  
05:30 10 maker contracts with ODL market makers.

11                      The compensation for those market makers  
12 was in the form of -- the previous  
13 compensation had been in the form of a fixed  
14 fee and a variable fee supported with an XRP  
05:31 15 lease and a USD loan.

16                      The subsequent contracts negotiated with  
17 [REDACTED] team and the market makers -- there was  
18 a -- a termination fee which had a payout  
19 based on the price of XRP at the end of the  
05:31 20 deal and essentially the price at the  
21 beginning of the deal.

22                      So as the price moved higher, the payout  
23 to the market makers increased, assuming at  
24 the end of the -- the deal -- so essentially,  
05:31 25 the delta of the termination fee increased as

05:31 1           you approached the -- you know, as the price  
2           went up.

3 BY THE WITNESS:

4           Q.     It got more expensive for Ripple?

05:31 5           A.     Yes.

6           Q.     Okay. So in the middle of the page, you say:  
7           "The market making contracts for ODL have the  
8           termination fee as part of their compensation. I don't  
9           know that product is taking that into consideration."

05:32 10          So that's what you believed at the time, that the  
11          Ripple products team is not understanding the costs to  
12          Ripple that are likely to be incurred with some when  
13          some of these market makers terminate their agreements?

14          A.     It's not necessarily when the market makers  
05:32 15          terminate. It's when the contract matures.

16          Q.     Okay, and then [REDACTED] says:

17          "Assuming the rally continues, looks like we  
18          continue to lose more. Have we generally thought about  
19          hedging that exposure?"

05:32 20          And what's your response there?

21          A.     "I don't believe that Ripple ever considered  
22          hedging the risk of the termination fee."

23          Q.     Okay, and you mentioned [REDACTED] team. So at  
24          this point, what is [REDACTED] team? Is this [REDACTED]?

05:33 25          A.     This is [REDACTED].



05:33 1 At this point, [REDACTED] team was aggressive in terms  
2 of -- I believe they had already formed their own entity  
3 called [REDACTED], which was spinning off to do digital asset  
4 trading themselves.

05:33 5 (Thereupon, a two-page e-mail dated  
6 11/21/2020, from [REDACTED]@ripple.com to  
7 [REDACTED]@ripple.com et al., Bates Nos. RPLI\_SEC  
8 0504585 through 0504586 was introduced as DS  
9 Exhibit 33 for identification.)

05:33 10 BY MR. MOYE:

11 Q. Okay. All right. Let's look at  
12 DS Exhibit 33.

13 (Pause.)

14 MR. MOYE: For the record, these are some  
05:33 15 more -- a printout of some more slack messages  
16 from [REDACTED]@ripple.com, dated 11/21/2020 to  
17 a number of individuals, including Mr.  
18 Samarasinghe.

19 BY MR. MOYE:

05:34 20 Q. It looks like after the initial request for  
21 information, most of these messages are from you, so  
22 please take a moment and look them over and let me know  
23 when you have done that.

24 (Pause.)  
25

05:35 1 BY MR. MOYE:

2 Q. Okay. Are you ready?

3 A. Uh-huh.

4 Q. Okay. On November 21, 2020, what was  
05:35 5 happening with [REDACTED]?

6 A. The termination fee in their contract had a  
7 max XRP price of [REDACTED]. If you're looking at what  
8 they stood to make, it was at the --

9 Let's say XRP finished above [REDACTED].  
05:35 10 [REDACTED]' max payoff would be sort of essentially  
11 candidate at [REDACTED], right?

12 Q. Okay.

13 A. However, if you're trying to delta hedge this  
14 option -- I don't think any of our market makers were  
05:35 15 [inaudible] the structure, right? They essentially  
16 delta hedged it to essentially monetize it.

17 Q. For the record, what do you mean when you use  
18 the term "delta hedge"?

19 A. You know, a payout with a certain strike and  
05:36 20 an ending price -- you know, at a certain price at T  
21 plus X has essentially a Black-Scholes price at time T.

22 Q. Okay. Trying to minimize losses?

23 A. No. You're essentially trying to lock in the  
24 value of -- you know, this termination fee as opposed to  
05:36 25 just hoping it by chance -- you know, it finishes in the

05:36 1 money --

2 Q. Okay.

3 A. -- okay? But [REDACTED] was less  
4 experienced with -- with options than, say, GSR and they  
05:37 5 did not correctly -- you know, hedge their position and  
6 they were really worried that -- you know.

7 If -- you know, XRP finished above [REDACTED], their  
8 hedging was incorrect and they would consider to start  
9 buying back XRP, which was now over [REDACTED] --

05:37 10 Q. Uh-huh.

11 A. -- and so if it was over [REDACTED] and they  
12 were short [REDACTED], it's at least \$ [REDACTED] worth  
13 of fully funded capital that they would need to have to  
14 essentially buy in the market, and they did not -- they  
05:37 15 did not have those funds. They were really worried that  
16 they would go under.

17 Q. So what was their -- what was their best  
18 option, as you saw it?

19 A. Essentially purchase a call option from a  
05:37 20 derivatives -- an entity that offered a derivative that  
21 could offset this -- this risk.

22 Q. Okay, and do you know what they ended up  
23 doing?

24 A. They were able to hedge this position. I  
05:38 25 forget how.

05:38 1 I think they found essentially a taker for that  
2 and -- you know, it also did not, at the end of the  
3 contract, finish above [REDACTED].

4 Q. Okay. Was their option purchase through GSR,  
05:38 5 as far as you know?

6 A. I -- I don't recall.

7 MR. MOYE: Okay. Can you give me two  
8 minutes with my colleagues? We may be done,  
9 here.

05:38 10 THE VIDEOGRAPHER: We are off the record.  
11 The time is 5:38 p.m.

12 (Recess taken at 5:38 p.m.)

13 (Resumed at 5:40 p.m.)

14 THE VIDEOGRAPHER: We are on the record.  
05:40 15 The time is 5:40 p.m.

16 MR. MOYE: Mr. Samarasinghe, thank you  
17 for your time today. That's all the questions  
18 we have for you.

19 Of course, other attorneys have an  
05:40 20 opportunity, if they wish, to ask you  
21 questions. But that's all I have for you now.

22 THE WITNESS: Thank you, sir.

23 MS. ZORNBERG: I do have some questions.

24 (Thereupon, an informal discussion was  
05:40 25 held off the record.)

05:40 1 THE VIDEOGRAPHER: We are off the record.

2 The time is 5:40 p.m.

3 (Recess taken at 5:40 p.m.)

4 (Resumed at 5:41 p.m.)

05:41 5 THE VIDEOGRAPHER: We are back on the  
6 record. The time is 5:41 p.m.

7

8 CROSS-EXAMINATION

9 BY MS. ZORNBERG:

05:42 10

11 Q. Mr. Samarasinghe, I just have a few minutes  
12 of questions for you. Thank you for your patience  
13 today. I know it's been a long day.

14 In your view, what has been the greatest driver of  
05:42 15 XRP price?

16 A. Interest in Bitcoin and other digital assets.

17 Q. And again, over the last few years, have  
18 digital assets been highly correlated to each other?

19 MR. MOYE: Objection, foundation.

05:42 20 THE WITNESS: Yes, I believe there's a  
21 high degree of correlation amongst digital  
22 assets.

23 BY MS. ZORNBERG:

24 Q. In your experience, does interest in one  
05:42 25 digital asset tend to drive interest in another?

05:42 1 MR. MOYE: Same objection.

2 THE WITNESS: Typically.

3 BY MS. ZORNBERG:

4 Q. Generally, in your view, is it Ripple's  
05:42 5 efforts that drive XRP's price or is it other market  
6 forces?

7 MR. MOYE: Calls for a legal conclusion.

8 THE WITNESS: Again, I think the biggest  
9 driver of XRP price has probably been Bitcoin  
05:43 10 and other digital assets.

11 BY MS. ZORNBERG:

12 Q. And when you say, "other digital assets,"  
13 would you include ether in that category?

14 A. I would.

05:43 15 Q. I want to ask you a few questions about going  
16 back to 2017, when you joined Ripple. At the time you  
17 joined Ripple, did you believe in its vision of building  
18 Internet of value?

19 A. I did.

05:43 20 Q. What did the term "Internet of value" mean to  
21 you or what did you understand it to mean?

22 A. I -- I don't know that I had a concrete idea  
23 of what would happen, but I -- I thought -- you know,  
24 the idea if value could move like information does  
05:44 25 today -- that could have very interesting consequences.

05:44 1           So, for example, if you were selling a product,  
2 right, you and -- you could essentially have bidders --  
3 and I don't know, Malaysia -- who would be able to buy  
4 your product, they would pay in whatever Malaysian  
05:44 5 currency that is, you should be able to receive in USD  
6 instantaneous or nearly instantaneous.

7           For General Motors, if you sell a car in Europe, in  
8 general, you don't necessarily have to batch that huge  
9 amount, do a large FX conversion with -- you know, like  
05:44 10 a Goldman Sachs, then -- you know, you could use a  
11 traditional rails. You could perhaps do that via  
12 something like -- you know, some digital asset at the  
13 point of sale.

14           Q.     Were there features of XRP that you believed  
05:44 15 lent XRP to that type of use in cross-border payments  
16 and transfers?

17           A.     XRP is relatively fast and very clean,  
18 especially compared to digital -- to Bitcoin and Ether.

19           Q.     Did those features make you optimistic about  
05:45 20 the product Ripple sought to build using XRP?

21           A.     They did.

22           Q.     I want to ask you some questions about ODL.

23           You've testified today that some of your  
24 responsibilities while at Ripple included ensuring  
05:45 25 liquidity for the ODL product; is that right?

05:45 1 A. That's correct.

2 Q. And in going about doing that, you perceived  
3 ODL and Ripple's efforts with respect to ODL as the  
4 building of a real product?

05:45 5 MR. MOYE: Object to form, leading.

6 THE WITNESS: I did believe ODL could be  
7 a real product.

8 BY MS. ZORNBERG:

9 Q. Is it fair to say you're a hard-working  
05:46 10 person?

11 A. I believe so.

12 Q. Is it fair to say that you worked while  
13 employed at Ripple very hard and in earnest to do your  
14 part to build the ODL product?

05:46 15 A. I believe that's a fair character --  
16 characterization.

17 Q. Were there other people at Ripple during the  
18 time you were there who worked in earnest to execute on  
19 that Internet of value vision in building out a viable  
05:46 20 product?

21 MR. MOYE: Objection, foundation, calls  
22 for speculation.

23 THE WITNESS: I recall working with a lot  
24 of people who worked earnestly to -- to build  
05:46 25 towards this vision.



05:46 1 BY MS. ZORNBERG:

2 Q. You've testified already that you were not on  
3 the product team for ODL. Do you know whether the  
4 products team encouraged its customers to use the ODL  
05:47 5 product?

6 A. I don't know.

7 Q. Okay, so let's leave that and move on.  
8 Now, there's been some testimony today that in 2020  
9 you had some disagreements -- maybe one, maybe more than  
05:47 10 one -- with Ripple management on the execution strategy  
11 for ODL. Is that a fair characterization?

12 A. I -- I believe you could characterize it by  
13 saying I disagreed with some of the strategy for ODL,  
14 yes.

05:47 15 Q. And that was the strategy for execution, for  
16 how to build the product?

17 A. Sure.

18 Q. That's a different issue from whether XRP  
19 itself and building of ODL is an innovative use of  
05:48 20 blockchain technology?

21 MR. MOYE: Objection, form,  
22 argumentative.

23 MS. ZORNBERG: Let me rephrase. Let me  
24 rephrase.

25

05:48 1 BY MS. ZORNBERG:

2 Q. Your disagreement on execution strategy did  
3 not undermine your view that there was potential in the  
4 building of an ODL product?

05:48 5 MR. MOYE: Object to form.

6 BY MS. ZORNBERG:

7 Q. Is that fair?

8 Q. Repeat the question?

9 Q. Okay. Whether or not you disagreed with  
05:48 10 management on how best to execute the vision for  
11 building ODL, it didn't change your view that XRP is  
12 faster, cheaper, innovative and had characteristics that  
13 could lead to promising innovation?

14 MR. MOYE: Objection, compound, leading.

05:48 15 THE WITNESS: Yes. Regardless of the  
16 execution of ODL, XRP is still fast and cheap.

17 BY MS. ZORNBERG:

18 Q. So, for example, in terms of disagreement on  
19 execution, there were some within Ripple who supported  
05:49 20 an XRP-O, XRP origination program for ODL and there  
21 were -- and you, in contrast, were a vocal opponent of  
22 that approach; is that fair?

23 A. Yep.

24 Q. Did you ever hear that ODL customers wanted  
05:49 25 the XRP-O program?

05:49 1 A. Not to my recollection.

2 Q. Okay. That would have been outside your  
3 purview, perhaps?

4 A. I was not somebody who spoke to many  
05:49 5 potential customers.

6 Q. And I just want to confirm. So if --

7 If ODL customers loved the XRP-O program, is that  
8 wouldn't be something that you might have known?

9 MR. MOYE: Objection, assumes facts not  
05:50 10 in evidence.

11 THE WITNESS: I don't know that I would  
12 have become aware of that.

13 BY MS. ZORNBERG:

14 Q. Okay. Your focus was on liquidity and the  
05:50 15 markers, not on the customer demand side of things?

16 A. That's correct.

17 (Pause.)

18 BY MS. ZORNBERG:

19 Q. Okay. Turning to a different subject, you've  
05:50 20 testified today at several points in time that Ripple  
21 sought to have minimal impact on the XRP market when it  
22 programmatically sold XRP.

23 Do you recall testifying --

24 A. Yes.

05:50 25 Q. -- to that effect?

05:50 1 A. I do.

2 Q. Why was that a goal of Ripple?

3 A. We felt that minimizing mark impact of sales  
4 would have -- you know.

05:50 5 You're essentially trying to minimize the damage  
6 occurring to the market, trying to protect them the best  
7 you can while still -- you know, trying to raise revenue  
8 for operations.

9 Q. So was --

05:51 10 Was the goal of Ripple to sell XRP while being a  
11 constructive participant in the market?

12 MR. MOYE: Objection, leading.

13 MS. ZORNBERG: I will rephrase.

14 BY MS. ZORNBERG:

05:51 15 Q. How did Ripple accomplish its goal of having  
16 minimal impact on the market when selling  
17 programmatically?

18 A. So Ripple worked with the market makers to  
19 construct algorithms that attempted to minimize selling  
05:51 20 pressure on the market as they sold.

21 So, for example, using a very small portion of  
22 orders that removed liquidity and attempted to have the  
23 large majority of the orders adding liquidity in the  
24 markets -- you know, not having large visible size that  
05:52 25 might scare off other market participants, essentially

05:52 1 having a relatively small order sizes that got executed  
2 in the -- in -- across a global network of -- of  
3 changes.

4 Q. So part of the goal was to spread out the  
05:52 5 sales across a number of exchanges?

6 A. That's correct.

7 Q. Was part of the goal intended to boost  
8 liquidity without unintentionally damaging the market?

9 MR. MOYE: Objection, calls for  
05:52 10 speculation.

11 THE WITNESS: I wouldn't characterize  
12 programmatic sales techniques -- you know,  
13 trying to minimize market impact -- wouldn't  
14 characterize that as --

05:52 15 BY MS. ZORNBERG:

16 Q. Okay. Those are two separate things?

17 A. That's correct.

18 Q. But separately, Ripple had the goal of  
19 enhancing liquidity for the ODL product --

05:52 20 MR. MOYE: Objection, leading.

21 BY MS. ZORNBERG:

22 Q. -- is that right?

23 MR. MOYE: Same objection.

24 THE WITNESS: Yes.

25

05:52 1 BY MS. ZORNBERG:

2 Q. As a separate issue from the programmatic  
3 sales?

4 A. Yes, ripple had a goal of increasing  
05:53 5 liquidity for ODL.

6 Q. Okay. There was some testimony today about a  
7 period of time in 2020 when Ripple purchased XRP on the  
8 secondary market, and I think [REDACTED] referred to it  
9 as "buybacks."

05:53 10 Do you recall that.

11 A. I do recall that.

12 Q. Okay. When the term "buybacks" was used in  
13 the testimony today, does that mean Ripple purchased XRP  
14 in the open market?

05:53 15 A. Ripple partnered with a market maker to use  
16 algorithms to purchase XRP on a set of digital asset  
17 exchanges.

18 Q. Okay, and Ripple disclosed in its quarterly  
19 market reports that it had purchased XRP on the open  
05:53 20 market, correct?

21 MR. MOYE: Objection, foundation and  
22 leading.

23 THE WITNESS: I believe it did.

24 BY MS. ZORNBERG:

05:54 25 Q. Okay. I would like to ask you a few

05:54 1 questions now about OTC sales, over-the-counter sales.  
2 You testified earlier today that Ripple undertook  
3 OTC sales in order to contribute to building XRP  
4 liquidity for its products, right?

05:54 5 A. Correct, or building XRP liquidity.

6 Q. Which would -- which would also help ODL to  
7 succeed?

8 A. Correct.

9 Q. After master agreements were set up with OTC  
05:54 10 purchasers, was it the OTC purchaser who came to Ripple  
11 wanting to purchase XRP or was it Ripple going out and  
12 actively soliciting sales?

13 MR. MOYE: Objection, foundation.

14 THE WITNESS: The OTC brokers would  
05:55 15 approach Ripple, typically asking for a price  
16 for a given size of XRP.

17 BY MS. ZORNBERG:

18 Q. So it was the brokers who initiated?

19 A. That is correct.

05:55 20 Q. Is that --

21 In every case that you can recall, was it the OTC  
22 broker who contacted Ripple to purchase XRP to initiate  
23 the -- that transaction?

24 A. So OTC sales moved from essentially a  
05:55 25 bilateral -- you know -- you know, communication -- you

05:55 1 know, we asked to confirm to commit to sell, in which  
2 case the commit-to-sell orders were characterized as OTC  
3 sales, because they essentially went to the same --  
4 largely the same counterparties.

05:55 5 Commit to sell just required the count party to  
6 essentially withdraw from a segregated wallet, so in  
7 essence, they initiated the -- the order, but in that  
8 case, they didn't contact original for it.

9 Q. They could just do it?

05:56 10 A. They just did it.

11 Q. They initiated it and they did it?

12 A. Exactly.

13 Q. Okay. When you worked at [REDACTED] --

14 Switching subjects now, when you worked at [REDACTED]

05:56 15 [REDACTED] as a market maker for Ripple, did Ripple ever  
16 make promises to [REDACTED] that XRP's price would go  
17 up?

18 A. Not to my recollection.

05:56 19 Q. In the three plus years that you worked at  
20 Ripple, did you ever promise an OTC purchaser that XRP's  
21 price would go up?

22 A. No.

05:56 23 Q. To your knowledge, did anyone else at Ripple  
24 ever promise to an OTC purchaser that XRP's price would  
25 go up?



05:56 1 A. Not to my knowledge.

2 Q. Did you ever make promises to any market  
3 makers that Ripple could increase XRP's price?

4 A. No.

05:57 5 Q. Are you aware of anyone else at Ripple making  
6 such promises?

7 A. I'm not aware of anyone else.

8 Q. You -- you were asked many questions today  
9 about whether certain events or things that Ripple did  
05:57 10 or didn't do would be good or bad for XRP holders.

11 Do you recall being asked a lot of questions in  
12 that nature?

13 A. Uh-huh.

14 Q. In your time working for Ripple, did you ever  
05:57 15 make promises to retail XRP buyers or retail XRP holders  
16 that Ripple could increase XRP's price?

17 A. No.

18 Q. Are you aware of anyone at Ripple making such  
19 promises to retail buyers of XRP?

05:57 20 A. No.

21 Q. Has Ripple, to your knowledge, ever promised  
22 anyone that it would create an XRP trading market?

23 MR. MOYE: Objection, foundation.

24 THE WITNESS: An XRP -- could you repeat  
05:58 25 your question?

05:58 1 MS. ZORNBERG: I'll withdraw the question  
2 and move on.

3 (Thereupon, an informal discussion was  
4 held off the record.)

05:58 5 MS. ZORNBERG: Almost done, here.

6 BY MS. ZORNBERG:

7 Q. You were asked some questions today earlier  
8 about Ripple's quarterly mark reports, right?

9 A. Yes.

05:58 10 Q. And I believe you --

11 You said that they were part of an effort by Ripple  
12 to provide transparency to the market. Let me ask you  
13 this:

14 Are you aware of any other actor in the crypto  
05:58 15 space that puts out on a regular basis -- besides  
16 Ripple -- detailed information about its holdings or  
17 sales in digital assets?

18 A. Not to my knowledge.

19 Q. Are you aware of any other actor besides  
05:59 20 Ripple in the crypto space that releases quarterly  
21 reports?

22 A. Not to my knowledge.

23 Q. How about the Ethereum Foundation? Do they  
24 do that?

05:59 25 A. Not to my knowledge.

05:59 1 Q. How about Consensus? Do they do that?

2 A. Not to my knowledge.

3 Q. How about the Bitcoin Foundation? Do they do  
4 that?

05:59 5 A. Not to my knowledge.

6 Q. At one point in your testimony today, you  
7 were asked about a change that you recommended to your  
8 colleagues about how Ripple should present XRP sales or  
9 supply data in quarterly market reports, right?

05:59 10 A. (Nodding).

11 Q. And I believe you testified that you  
12 recommended that it be changed but, in fact, the  
13 Ripple's quarterly market reports continued to report  
14 XRP sales data in the manner it had consistently done in  
06:00 15 the past; is that right?

16 A. That's correct.

17 Q. Is that an example on how reasonable minds  
18 could differ on how to present data?

19 MR. MOYE: Objection, argumentative.

06:00 20 THE WITNESS: Possibly.

21 (Pause.)

22 BY MS. ZORNBERG:

23 Q. In the time that you worked at Ripple, did  
24 you receive any directive to drive up short-term XRP  
06:00 25 price?

06:00 1 A. No.

2 Q. Are you aware of any such Ripple initiative?

3 A. No, I am not aware.

4 Q. Okay. I know that you're --

06:00 5 You testified that you're currently working at GSR.

6 Is it fair to say that by the spring of 2020, you were

7 contemplating leaving Ripple?

8 A. That is fair.

9 Q. And by around September 2020 you were in

06:01 10 discussions with GSR to move over to GSR, right?

11 A. That's fair, yep.

12 Q. Was Brad Garlinghouse supportive of your

13 plans to move to GSR?

14 A. Yes, he was.

06:01 15 Q. You were asked a number of questions today

16 about what's good or bad for XRP holders.

17 Mr. Samarasinghe, do you purport to speak for all

18 XRP holders and what they prefer?

19 A. I do not.

06:01 20 Q. There's one exhibit I want to -- I want to

21 call your attention to and ask you about. It's

22 DS Exhibit 7, if you might just pull that one out.

23 (Pause.)

24 BY MS. ZORNBERG:

06:02 25 Q. Okay, so you were asked a number of questions

06:02 1 about an e-mail, DS Exhibit 7, that you sent, dated  
2 November 2nd, 2017 to Miguel Vias, providing some brief  
3 assessment on GDAX and how it might apply to XRP. Is  
4 that a fair characterization?

06:03 5 A. Uh-huh.

6 (Thereupon, an informal discussion was  
7 held off the record with the shorthand  
8 reporter.)

9 THE WITNESS: Yes.

06:03 10 BY MS. ZORNBERG:

11 Q. At the time you sent this e-mail in early  
12 November 2017, approximately how long were you with  
13 Ripple at that point?

14 A. Less than five months.

06:03 15 Q. And that was your first non-trading job,  
16 right?

17 A. That is correct.

18 Q. Had you ever been asked to prepare an  
19 analysis of this type regarding listing requirements for  
06:03 20 digital assets?

21 A. I had not.

22 Q. You testified earlier that while you were  
23 asked to comment or did comment on decentralization,  
24 you're not an expert on decentralization; is that right?

06:03 25 A. That's correct.

06:03 1 Q. You weren't an expert in 2017, right?

2 MR. MOYE: Objection, leading.

3 THE WITNESS: Correct, I was not an  
4 expert in 2017.

06:03 5 BY MS. ZORNBERG:

6 Q. Do you consider yourself an expert on the  
7 term "decentralization" today?

8 A. I do not.

9 Q. Do you know whether there is an accepted or  
06:04 10 uniform understanding of what "decentralization" means  
11 with respect to digital assets?

12 MR. MOYE: Objection, foundation.

13 THE WITNESS: Not to my knowledge.

14 BY MS. ZORNBERG:

06:04 15 Q. Okay. You testified earlier that you're  
16 not -- in 2017, you were not an expert on validators and  
17 validation for hedges; is that right?

18 A. That is correct.

19 Q. As you sit here today, do you consider  
06:04 20 yourself an expert?

21 A. I do not.

22 Q. Okay. So in 2017, when Miguel Vias asked you  
23 to prepare this analysis, did you at that time consult  
24 with David Schwartz?

06:04 25 A. I did not.

06:04 1 Q. Did you consult with Arthur Britto?

2 A. I do not recall.

3 Q. And this is a pretty short analysis about a  
4 one-sentence point. Did you consult with anyone at

06:04 5 Ripple in preparing these responses?

6 A. I don't believe I did.

7 Q. Did you spend a lot of time on this?

8 A. I don't recall.

9 Q. Did Coinbase later list XRP?

06:05 10 A. It did.

11 Q. So to the extent -- by the way, do you know  
12 whether Coinbase applied its GDAX criteria at the time  
13 it listed XRP?

14 A. I do not.

06:05 15 Q. If it did, would it be a fair assumption that  
16 someone at Coinbase concluded that XRP was fine under  
17 its criteria to list --

18 MR. MOYE: Objection.

19 BY MS. ZORNBERG:

06:05 20 Q. -- whatever its criteria were at the time it  
21 listed it?

22 MR. MOYE: Objection, foundation, and  
23 calls for speculation.

24 MS. ZORNBERG: Let me rephrase it in a  
06:05 25 simplified way.

06:05 1 BY MS. ZORNBERG:

2 Q. At the time that Coinbase listed XRP, would  
3 it be a fair assumption that Coinbase determined it was  
4 okay to list it?

06:05 5 MR. MOYE: Objection, foundation.

6 THE WITNESS: I believe that's a fair  
7 assumption.

8 BY MS. ZORNBERG:

9 Q. Okay. Do you have any --

06:05 10 I'm turning subjects, now. Do you have any  
11 knowledge of specific wash trades occurring in XRP?

12 A. Not to my knowledge.

13 Q. Do you have any knowledge of Ripple at any  
14 time encouraging wash trades in XRP?

06:06 15 A. Not to my knowledge.

16 Q. Last subject that I wanted to ask you about.  
17 There was some testimony and questions about loans of  
18 XRP to market makers.

19 Was the purpose of those loans to increase  
06:06 20 liquidity in aid of the ODL product?

21 A. Not -- not the initial loans, no. The  
22 initial loans were to increase liquidity for XRP.

23 Q. Which, in turn, helped with the rollout of  
24 the ODL product?

06:06 25 MR. MOYE: Objection, argumentative,



06:06 1 leading.

2 THE WITNESS: Not necessarily. I -- you  
3 know, the ODL product had not really come into  
4 existence then. I think the -- the initial  
06:07 5 idea was XRP liquidity would support the cross  
6 border use case. You know, essentially -- not  
7 necessarily --

8 I don't think it was necessarily going to  
9 be on these designation exchanges. I don't  
06:07 10 know that they were considered, but it was  
11 definitely trying to increase XRP liquidity to  
12 essentially achieve division of the Internet  
13 of value.

14 BY MS. ZORNBERG:

06:07 15 Q. Yeah, so -- and again, I don't want to put  
16 you in an unfair spot. You already testified 10 times  
17 today you were not part of the ODL product team.

18 Do you have any knowledge that -- of pilots for the  
19 ODL product actually predating when you joined Ripple?

06:07 20 A. I don't recall.

21 Q. Okay. So if --

22 If in fact that's the case, that the ODL product --  
23 then called xRapid -- was being piloted as early as  
24 2015 --

06:08 25 A. Uh-huh.

06:08 1 Q. -- would you agree that the general goal of  
2 increasing liquidity was something very important to the  
3 ODL product?

4 MR. MOYE: Objection to form, compound,  
06:08 5 speculative, argumentative.

6 THE WITNESS: Could you --  
7 BY MS. ZORNBERG:

8 Q. You can answer.

9 A. Could you rephrase the question? There was a  
06:08 10 lot to unpack in that.

11 Q. Yeah. You don't know when -- when Ripple  
12 started working on xRapid, do you?

13 A. I don't. I don't know exactly.

14 Q. Okay, and you --  
06:08 15 You agree that liquidity in XRP is a critical  
16 component of the ODL product being successful?

17 A. That's correct.

18 MS. ZORNBERG: Okay. I have no further  
19 questions. Thank you.

06:08 20 MR. MOYE: Okay. I may have one or two  
21 more. Can we swap?

22 (Thereupon, an informal discussion was  
23 held off the record.)

24 (Pause.)

06:08 25

06:08 1 REDIRECT EXAMINATION

2 BY MR. MOYE:

3

4 Q. When Coinbase listed XRP, they didn't -- you  
06:09 5 don't know whether they -- you didn't talk to anyone  
6 directly at Coinbase, right, about what sort of analysis  
7 they did?

8 A. No, sir.

9 MR. MOYE: Okay. That's all we've got.

06:10 10 Is there anybody else?

11 MR. LEVANDER: So for the record,  
12 Samuel Levander, Cleary Gottlieb  
13 Steen & Hamilton, for defendant  
14 Bradley Garlinghouse.

06:10 15  
16 CROSS-EXAMINATION

17 BY MR. LEVANDER:

18

19 Q. So, Mr. Samarasinghe, you testified this  
06:10 20 morning that GSR has certain personnel who are located  
21 in the United States?

22 A. Yes.

23 Q. Are any of them traders for GSR?

24 A. Not to my knowledge.

06:10 25 Q. To your knowledge, did any of them trade XRP

314

06:10 1 for GSR?

2 A. Not to my knowledge.

3 Q. To your knowledge, did any of them trade XRP  
4 on behalf of Ripple?

06:10 5 A. Not to my knowledge.

6 Q. To your knowledge, did any of them trade XRP  
7 on behalf of Brad Garlinghouse?

8 A. Not to my knowledge.

9 Q. And to your knowledge, did any of them trade  
06:10 10 XRP on behalf Chris Larsen?

11 A. Not to my knowledge.

12 MR. LEVANDER: No further questions.

13 (Pause.)

14 THE VIDEOGRAPHER: This will conclude  
06:11 15 Video No. 5 and end today's recording of the  
16 deposition of Dinuka Samarasinghe.

17 We are off the record. The time is 6:11  
18 p.m., June 9th, 2021.

19 (Thereupon, the deposition concluded at  
20 6:11 p.m.)

21 (The original exhibits were retained by  
22 Attorney Moye with electronic copies sent to the  
23 shorthand reporter.)

24 \*\*\* \*\*

25

ACKNOWLEDGMENT OF WITNESS

I, DINUKA SAMARASINGHE, do hereby certify  
that the foregoing testimony given by me on  
June 9, 2021, is true and accurate,  
including any corrections noted on the  
corrections page, to the best of my knowledge  
and belief.

\_\_\_\_\_  
DINUKA SAMARASINGHE

At \_\_\_\_\_ in said County  
of \_\_\_\_\_, this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021, personally  
appeared DINUKA SAMARASINGHE, and he made an oath  
to the truth of the foregoing corrections by him  
subscribed.

Before me, \_\_\_\_\_, Notary  
Public. My commission expires \_\_\_\_\_.

1 STATE OF NEW YORK )  
2 ) ss:  
3 COUNTY OF NEW YORK )

4 C E R T I F I C A T E

5 I, CHERYLL KERR, CSR, a Notary Public  
6 within and for the State of New York, do hereby  
7 certify that the witness whose deposition is  
8 hereinbefore set forth, was duly sworn by me,  
9 and that such deposition is a true record of the  
10 testimony given by such witness.

11 I further certify that I am not related to  
12 any of the parties to this action by blood or  
13 marriage; and that I am in no way interested in  
14 the outcome of this matter.

15 IN WITNESS WHEREOF, I have hereunto set my  
16 hand this 11th day of June, 2021.

17   
18 -----  
19 CHERYLL KERR, CSR  
20  
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24  
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1	ERRATA SHEET	
2	Deposition of: DINUKA SAMARASINGHE	
	Date taken: JUNE 9, 2021	
3	Case: SEC vs. RIPPLE LABS, INC., et al.	
	PAGE	LINE
4	_____	CHANGE: _____ REASON: _____
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24	Signed _____	
25	Dated _____	